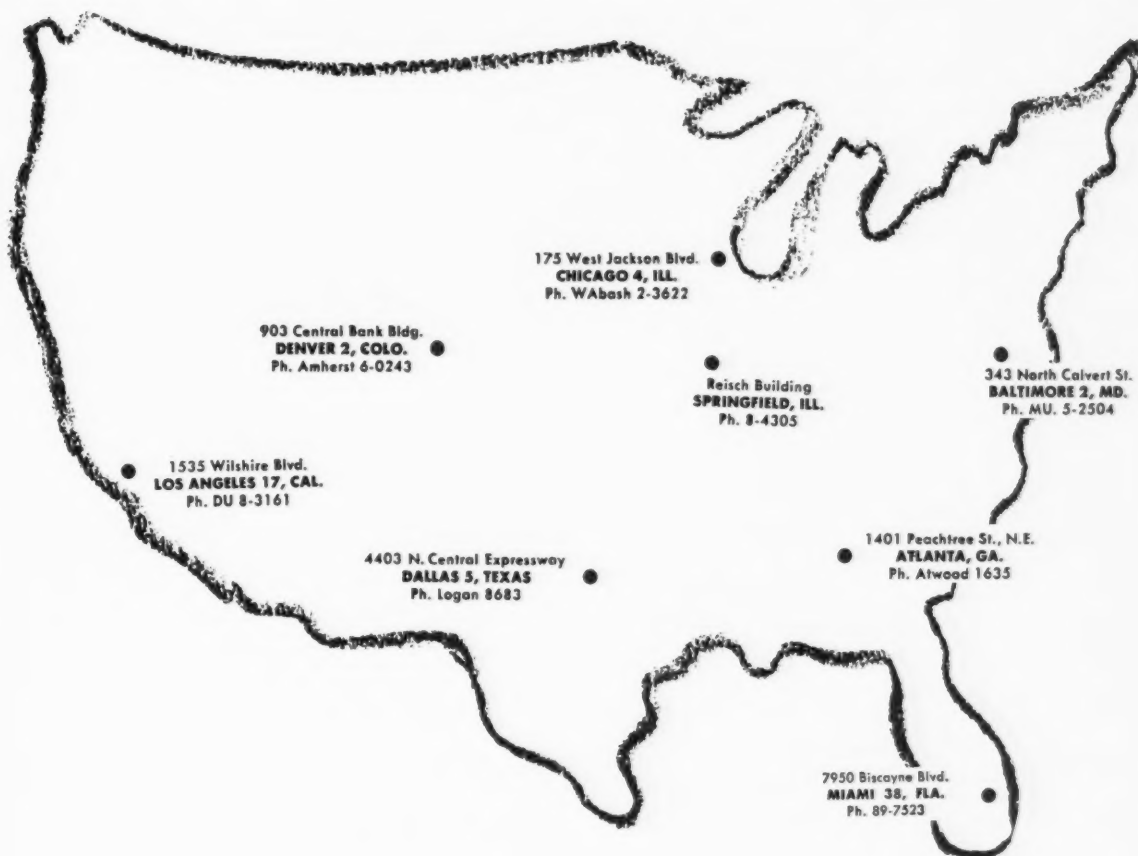


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THURSDAY, AUGUST 11, 1955

EMPLOYERS REINSURANCE CORPORATION

CONDENSED STATEMENT AS OF JUNE 30, 1955

ASSETS

Cash in Banks and on Hand		\$ 2,032,046.95
Bonds:		
United States Government	\$21,944,081.10	
United States Government Agencies	2,195,052.46	
Canadian Government	978,829.13	
State, County and Municipal	22,779,245.90	
Total Bonds		47,897,208.59
Stocks:		
Public Utility	2,916,930.00	
Bank and Insurance	1,008,123.75	
Industrial and Miscellaneous	3,160,052.88	
Total Stocks		7,085,106.63
Mortgage Loans		17,329.35
Uncollected Premiums (not over 90 days)		470,626.34
Interest Accrued and Other Admitted Assets		431,459.53
Total Admitted Assets		\$57,933,777.39

LIABILITIES

Reserve for Claims and Claim Expense		\$28,134,526.84
Reserve for Unearned Premiums		9,902,190.17
Funds Held Under Reinsurance Treaties		3,031,517.35
Taxes and Other Liabilities		1,627,661.69
Capital	\$ 2,500,000.00	
Surplus	12,737,881.34	
Surplus to Policyholders		15,237,881.34
Total		\$57,933,777.39

Bonds are valued on an amortized basis, insurance stocks at their respective book values and all other stocks at market.

On the basis of June 30, 1955, actual market values for all bonds and stocks owned:

Total Admitted Assets would be	\$58,319,257.02
Surplus to Policyholders would be	15,623,360.97

Securities carried at \$4,232,474.09 in the above statement are deposited as required by law.

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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

59th Year, No. 32
August 11, 1955

Commercial Block Exerts Pressure on Traditional Lines

Seven Dealer Floaters Spread Despite Adverse IM Committee Ruling

The commercial block (or commercial or merchandise floater, as it is also called) seems to be the most versatile novelty with which the business community is contending. This development—which consists of a package of fire, extended coverage, burglary and theft, on premises all risk, off premises all risk including transit, water damage and sprinkler leakage where applicable—is shoving hard at traditional patterns of underwriting, coding and rating in fire and EC, multiple location, inland marine and casualty fields.

The problem of the block form and the influence it is exerting upon the business and upon the way the business in its component parts previously has been done, have attracted the attention of top management. Inter-Regional Insurance Conference is vigorously pursuing the subject, Multiple Peril Insurance Rating Organization is not outside of its effects, Reporting Form Service Office has a lot at stake, Inland Marine Insurance Bureau is in the middle of the fracas, Factory Insurance Assn. and the factory mutuals have acknowledged its existence, Interbureau Insurance Advisory Group is closely watching the commotion, and National Bureau of Casualty Underwriters is directly concerned.

As usual with a new and broader form, the block policy has some inherent virtues which make it attractive to insured—more coverage in one contract, somewhat greater flexibility in meeting varied hazard and property situations so that it can be applied to many kinds of risks, and, because of the packaging of fire and EC with marine (with or without the indivisible premium), certain improvements (for the customer) in the price.

However, as is often also the case, the form is being used to get business by those who don't have it, and, as time goes on, to defend business by those who do have it.

In creating the present situation, the pressure of competition, the influence of the new inland marine definition and the general drift toward multiple peril underwriting each has played its part.

The block policy, with about everything in it of a physical damage insurance nature, first made its appearance in California, where it is being written high, wide and handsome. Pacific Fire Insurance Rating Bureau is working on standard forms and rating procedures.

Use of the block, however, has been spreading into other sections of the country.

In recent months block policies for seven classes of dealers have appeared

(CONTINUED ON PAGE 10)

S. D. DECISION

Give Details of Case Where Agent Paid Insured's Premium

There is wide interest in insurance circles in the South Dakota supreme court decision holding there was no coverage under a policy for which the premium was advanced to the insurer by the agent but not paid by the insured.

Extension of varying degrees of credit to clients is a uniform practice among agents. Almost never does an agent collect the premium in advance of the effective date, and should any court decision have the effect of requiring this the result would be extremely troublesome.

In the South Dakota case, the court upheld the denial of liability by Standard Casualty under a policy which had not been paid for by the policyholder. The premium had been paid by the agent. The court ruled that mere receipt and retention of the policy does not indicate acceptance of the company's offer to insure.

The case, filed July 9, was Standard Casualty vs. Adell M. Boyd, et al. Mrs. Boyd and her husband purchased a car in July, 1950, receiving a liability policy through the auto dealer from Harold J. Volz, a Standard Casualty agent. The policy was in effect July 5, 1950 to July 5, 1951. The dealer paid the premium with money furnished by the Boyds.

On July 3, 1951, the agent, without solicitation or request, issued a renewal policy to Mrs. Boyd, mailing it to her. The following January the agent paid the premium to Standard Casualty, and on Feb. 1 wrote to Mrs. Boyd saying the premium had been paid to the insurer and was being carried as an amount owing the agency by Mrs. Boyd.

Mrs. Boyd opened and read the letter the morning of Feb. 18, the day she and her husband, riding in her automobile, collided with another car. The three persons in the other car claimed the Boyds were liable to them for injuries, and also contended their liability was insured by the Standard Casualty policy.

After reading the agent's letter, Mrs. (CONTINUED ON PAGE 24)

OHIO FARM BUREAU

Sets Up Bank Plan to Pay for Insurance in N.Y.C. Monthly

A monthly premium installment system which will permit a policyholder to pay for all of his insurance—casualty, fire—with one monthly check to a bank has been developed by Ohio Farm Bureau Companies through its metropolitan New York regional office at White Plains, N. Y.

A policyholder wishing to "budget" his insurance would make a down payment due the bank each month and receive a pass book from County Trust Co., showing the total payment due the bank each month and the total premium being paid for auto, fire and life insurance. The policyholder would make the monthly payment indicated, which includes nominal interest or a service charge. The policyholder could elect to pay premiums on certain coverages directly to the insurer.

Package Policy Is Approved for N. C.

Commissioner Gold of North Carolina has approved effective Oct. 1 policy that includes fire and extended coverage, comprehensive personal liability, theft, glass and medical payments. One premium will cover all component parts of the policy.

Mr. Gold estimated that the policy would save the average homeowner about 20% of his premium costs. He disapproved similar policies last fall but the 1955 legislature authorized him to combine other coverages with fire insurance, either for a divisible or a lump premium.

Hartford Fire Ups Blackington, Evanier

Hartford Fire has named A. L. Blackington and Irving Evanier superintendents of the special risk and manufacturing risk departments, respectively. Both men have spent their entire company careers in their respective departments, which are under supervision of B. M. Douglas, assistant secretary.

Mr. Blackington joined the company in 1926 and Mr. Evanier in 1920.

Seek Alternative to Compulsory in New York State

If Business Does Not Develop Program, Will State Turn to UJF?

NEW YORK—Some kind of action aimed at reducing the problem of the financially irresponsible motorist is a major concern of the administration of Gov. Harriman. At one time it was said that the governor was disinclined to plug for compulsory automobile insurance legislation, inasmuch as this would put him in the footsteps of his predecessor, Thomas E. Dewey, of opposite political faith. The Harriman forces may be seeking some alternative to compulsory, one that can be shown to the voters as being effective.

The high degree of interest of the Harriman forces in a program in this field is indicated by the fact that recently executives of New York domiciled insurers that write automobile liability were asked by Superintendent Holz, Harriman appointee, for suggestions. If the business does not come up with a satisfactory proposal, and there has been placed upon this an early-in-the-fall deadline, presumably the administration would evolve a plan of its own.

These factors make pretty significant the comment on the unsatisfied judgment fund which is contained in the annual report of the commissioner of motor vehicles, Joseph P. Kelly, one of Mr. Harriman's appointees.

Mr. Kelly states that an unsatisfied judgment fund is one solution to the problem of the financially irresponsible motorist that warrants further investigation as "an alternative to compulsory insurance."

It is reported that New York is making a study of UJF in Trenton, and there are other indications of keen interest in the functioning of the New Jersey program by the New York state administration.

UJ coverage is still a possibility as an alternative.

Mr. Kelly also emphasizes the success of the safety responsibility act in New York and other states in effecting compensation for those who suffer damage to property or bodily injury as a result of automobile accidents. He adds that there is, of course, room for improvement in this respect.

Mr. Kelly's comment on UJF is regarded as being significant, in view of the background. The positions of various segments of the business with respect to UJF have undergone some changes since the UJF law was put on the books and its operation in New Jersey is being watched closely by proponents and opponents alike.

Other points in Mr. Kelly's report emphasize the tested effectiveness of the safety responsibility law.

Prior to Jan. 1, 1942, about 30% of the motor vehicles in the state were

(CONTINUED ON PAGE 15)

First Six Months Results Shown

	Assets June 30	Surplus June 30	Increase or Decrease in Surplus from Dec. 31 1954	Premiums Written First Six Months 1955	Premiums Written First Six Months 1954
Aetna Group	250,343,151	74,445,158	5,199,841	71,576,662	69,019,490
Central National of Omaha	16,245,318	2,159,736	3,356	8,006,131	4,596,856
Central Surety	20,182,047	6,673,049	173,930	5,494,104	5,415,490
Country Mutual Cas.	23,724,061	6,417,973	802,892	8,549,422	8,295,733
Farmers Mutual Auto of Wis.	31,635,285	10,515,713	1,430,461	11,233,960	11,277,280
Fidelity & Deposit	65,321,665	37,773,023	2,276,027	9,737,813	9,350,143
Gulf of Dallas	38,003,828	19,090,969	2,364,543	8,152,742	7,552,432
Harleysville Mutual Cas., Pa.	18,925,374	6,138,828	939,767	6,233,902	5,791,327
London & Lancashire Indemnity	18,609,548	4,440,458	149,269	6,291,235	5,923,655
M.F.A. Mutual, Mo.	11,756,496	2,767,111	232,540	7,592,642	5,943,833
Motors Ins. Corp.	52,431,313	13,102,139	1,720,382	20,371,842	15,693,517
National Surety	69,361,321	27,346,385	1,269,071	17,738,556	17,630,917
New Jersey Manufacturers Cas.	31,119,095	11,426,845	790,105	9,135,882	9,617,083
Pacific National Fire	49,663,895	23,899,171	1,419,388	7,489,785	10,367,594
Southern Farm Bureau Cas.	13,073,548	2,009,509	58,001	6,286,202	5,150,719
State Farm Mutual Auto	308,277,207	121,395,521	16,110,124	115,522,773*	105,602,446*
United Casualty	44,108,500	10,776,500	283,950	12,686,277	12,596,751
Western Casualty	34,428,880	11,434,079	889,536	10,446,678	9,875,985
Western Fire	16,253,705	6,283,363	711,129	5,842,161	5,115,696
Zurich	112,991,352	34,102,386	2,221,888	32,077,919	30,817,127

*Includes membership fees.

Record Advance Registration for NAIA Convention

A record attendance is expected at the annual convention of National Assn. of Insurance Agents in Los Angeles Oct. 3-5. Almost 1,200 advance registrations already have been processed by NAIA, a substantially larger number than in previous years at the same stage.

"The Changing American Market," a Life magazine film, will highlight a work session Monday afternoon, Oct. 3. The movie will be introduced by Warren A. King, insurance merchandising manager of Life. A. N. Bushnell Jr., president Insurance Assn. of Los Angeles, and Ralph L. Inglis, president of Founders, will follow the film with talks applying the facts and forecasts of the changing market to the insurance business.

At the Tuesday morning session competitive aspects of the business and how the members of the agency system

may best obtain their share of this vast new market will be discussed.

Victor O. Schinnerer, Washington, D. C., chairman of the metropolitan and large lines agents committee, has announced that Forest S. Pearson, Austin, Tex., will act as chairman of the metropolitan agents breakfast Oct. 5. Prominent agents over the country will speak briefly, followed by a discussion on items of primary interest to metropolitan agents from all sectors of the country.

The rural and small lines agents committee, of which Kenneth A. Young, Blue Earth, Minn., is chairman, has been conducting a survey to determine what topics will most appeal to the agents planning to attend this committee's annual breakfast meeting Oct. 5.

The ladies committee for the convention, of which Mrs. Robert E. Battles of Los Angeles is chairman, has decided to offer the ladies attending the meeting a trip to Disneyland on Wednesday, the final day of the convention. An alternate trip for the ladies on this day includes a tour of Television City and the Farmers Market.

ML Insurers Now Getting Into A&H Field Vigorously

Evidence accumulates that entry of life insurance companies into the A&H field is leading to a new appraisal of A&H departments by the big multiple line fire and casualty insurers. Not too much of a stir was created when the life companies first announced they were entering the field except in the minds of those who had been most familiar with the aggressive character of life company selling methods and promotion. The multiple line companies kept going very much as they had been doing for many years without any outward recognition that this powerful new competitive force had entered the A&H field. This picture has been changing rapidly in the past year.

One factor undoubtedly has been a recognition of top multiple line company executives that in spite of the burgeoning volume of A&H premiums being written today, there is still enormous room for increasing sales by creative selling activity.

It has become clear to these executives that even to hold their own proportionately in the A&H field, it will be essential for them to put a great deal more steam and effort behind their A&H efforts. Some of the biggest of the multiple line companies have been bringing in men from the field to strengthen the production operations at the head office and to study methods for helping them to obtain a larger proportion of the personal A&H business which is now being and will be written.

Even within the last six months top company vice-presidents in supervisory control of A&H departments have moved from indifference to action toward strengthening the morale of A&H departments and toward making it clear that they are not going to retreat farther into a "take what comes" attitude.

All this is proving to be welcome news to the home office A&H personnel in the multiple line companies. They have been recognizing for several years that the step-child treatment of the A&H department was gradually leading to a serious undermining of morale in the home office A&H departments as well as in the field among the relatively small number of multiple line agents who did give even a small proportion of time to active promoting of A&H sales.

Executives of the multiple line companies are still very wary of anything which bears the stamp of sickness insurance and will undoubtedly be moving very slowly toward encouraging wide selling of this kind of disability cover. However, it is believed by many that once having moved actively into the competitive orbit in disability, it will not be too long before these companies too will be selling both A&H policies much more freely. The entry of one of the well-known multiple line groups into the field of the catastrophe A&H contract is evidence that the multiple line agent has been recognized as a natural contact man to reach many of those who should be the best prospects for this contract.

A chief deterrent to the active entry and active promotion of catastrophe medical expense contract by the multiple line companies has been a recognition that unless there is a vigorous, frequent presentation of the cover to

all those who are eligible for it, a very severe underwriting selection against the writing insurer is almost inevitable. That is, the multiple line agent who merely mentions to a prospect that he has such a contract and makes no vigorous effort to sell it is almost sure to pick up the ready and knowing buyer in a proportion too large for underwriting safety.

Some observers believe that unless the multiple line companies can succeed in setting up a specialized force at the home office and in the field to promote A&H and also to encourage someone in a local agency to concentrate on A&H production, there may be real difficulty from the underwriting angle in doing much with over-all disability cover. But one thing is sure: there is a real stirring of A&H interest now in the multiple line top executives and they are going to find out what can be done successfully by a much more vigorous prosecution of A&H operations.

Job of Codifying Okla. Insurance Laws Under Way

The job of revising and codifying Oklahoma's insurance laws will be undertaken by the insurance committee of the state legislative council, headed by Rep. G. A. Sampsel of Pryor.

The proposed codification has been approved by the council's executive committee and turned over to the Sampsel group, which will report its progress every three months. A bill containing the insurance code will be presented before the next legislature in 1957. All types of coverage except workmen's compensation will be included.

Various industry groups will work with the committee in its study and compilation of laws.

The executive committee also approved a study to determine whether a "substantial increase" in the appropriation to the insurance department is justified. This proposal, made by Oklahoma Assn. of Insurance Agents, was turned over to committees on insurance and appropriations.

The association's suggestion to recommend necessary changes in state traffic laws also has been approved for study.

However, the executive committee, at its first meeting of 1955, took no action on a proposal to study a new law waiving five-day waiting period in workmen's compensation cases. Suggestion was offered by E. J. O'Connor of Associated Oklahoma Industries, a group which opposes the law.

Christensen, Nichols Are Visiting Europe

Frank A. Christensen, president of America Fore group and of American Foreign Insurance Assn., and AFIA General Manager James O. Nichols and their wives are visiting Europe.

Mr. Christensen will visit AFIA offices in England, Norway, Sweden, Denmark, West Germany, Holland, Belgium, France, Switzerland and Italy. Mr. Nichols will stop off at many of the same countries and will also visit the association's office in Madrid. Both will attend International Union of Marine Insurance in Monte Carlo, Monaco, before returning home in September.

Mr. Christensen will be guest of honor at a luncheon in London to be given by Sir Matthew Drysdale, chairman of London Lloyds and at a dinner to be held by the AFIA London office. He will also attend a similar affair being given by Alan Hinshelwood, chairman of Fire Offices Committee.

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American Bar Panels Tell Insurance Counsel How to Combat NACCA Tactics

Interest of insurance attorneys in combatting the tactics of plaintiffs' lawyers who are members or disciples of National Assn. of Claimants Compensation Attorneys has brought out heavy attendance wherever the insurance section of American Bar Assn. has presented a trial tactics panel. Although the first such one was staged three years ago, interest has intensified and these panels have been high spots at recent regional meetings of American Bar Assn. A similar one is scheduled for the annual meeting at Philadelphia this month.

The current series of panels is concerned exclusively with handling expert witnesses—a feature which NACCA members have used with great skill to run up substantial verdicts. The personnel of the panels has varied somewhat from meeting to meeting, but the various portions have been handled in essentially the same way. They were developed by W. A. Mansfield, Detroit, chairman of the insurance section, and W. E. Stichter, Toledo, chairman of the committee on insurance law practice and procedure. At the recent regional meeting at Cincinnati, the panel consisted of Mr. Stichter, who discussed the function of expert testimony; E. D. Bronson, San Francisco, on the medical expert; E. R. Peterson, Chicago, on the scientific expert; R. P. Hobson, Louisville, on cross-examination of expert witnesses, and Wayne Ely, St. Louis, on abuses of expert testimony. Mr. Mansfield acted as chairman and Judge A. F. Lederle of the U. S. district court at Detroit was moderator.

After reviewing some of the historical and technical features of expert testimony, Mr. Stichter, in answer to a question by Judge Lederle, defined the function of expert testimony as assisting the jury in arriving at correct conclusions in matters of art, science and skill, about which people of common knowledge and experience are unlikely to be able to form a correct judgment without the benefit of opinions of those who possess a peculiar knowledge of the subject by reason of study, experience and observation in that field. He said expert testimony is often confused with opinion testimony, but there is an important difference. Any proper witness may be permitted to give an opinion on matters of common knowledge and experience, but only on matters which he has physically observed or perceived, and he may not answer hypothetical questions. Admission of expert testimony is for the judge to decide, but its weight is for the jury.

Mr. Bronson said that expert medical witnesses are used in many types of cases, such as criminal trials, insanity and probate contests, malpractice, litigation under life and accident and health policies, but most trial lawyers now are primarily concerned with this type of expert in personal injury litigation. He emphasized the importance of careful preparation and the attorney becoming as familiar as possible with the type of injury involved, working with the doctor before trial and mastering as much technical detail as he can learn from him. Physicians are notoriously busy men, but the attorney should insist upon spending plenty of time with him before the trial making it clear to the doctor that he is being paid for this time. Mr. Bronson suggested as the ideal environment for an

interview a Saturday afternoon, too rainy for golf, at the doctor's home, preferably with a bottle of Scotch.

Preparation of the physician for the trial is most important, Mr. Bronson said. Obviously, he should be cautioned to avoid complicated medical language, but he should not "talk down" to the attorney or to the jury, and he should never bridle up at cross examination.



HOW TO PROLONG YOUR AGENCY'S LIFE

If you have made any plans for the continuation of your agency after your death or retirement, you'll want to see a copy of our new Agency Sales Bulletin, "How to Prolong Your Agency's Life". Whether your agency is a proprietorship, partnership or corporation, you'll find valuable information in this new Bulletin.

If your major concern is to make sure your heirs — or you at retirement — get the most for your agency, or your interest in it, this Bulletin will give you ideas that are essential to your purpose.

Many agents have made provision for these contingencies through buy-and-sell agreements with employees or co-owners. If the agreements have not been drastically revised in the light of the 1954 Revenue Code, these agents — or their families — will probably be seriously disappointed when the agreements take effect. For this new Code changes the manner in which agencies are evaluated for tax purposes, and the way payments for them will be taxed, both as inheritance and

it, and what are the medical terms for various tiny anatomical structures which he has not remembered since he was in medical school.

Mr. Bronson said he dislikes hypothetical questions and avoids them as much as possible. He thinks they always sound too rehearsed to be convincing to a jury, and his observation is that they are being used less and less. However, they may come up in cross examination, so the physician should be prepared for them. He also recommended never accepting an offer

(CONTINUED ON PAGE 30)

income. How would you like it, for example, if most of the payments your family receive for your interest in the agency were taxed as ordinary income? This can easily happen.

If you have no concrete plan (backed by a buy-and-sell agreement) for assuring that you or your heirs will be able to dispose of the agency — or your interest in it — at the best possible price, your family may get as little as a fifth of what you think it is worth.

This Bulletin was prepared for us by one of America's ablest tax and legal counsels. It suggests ways to get the most for your agency. Naturally it does not delve into state laws, but you will be amazed at the effect of federal estate and income taxes on the evaluation and transfer of agencies or interests in agencies. It suggests that you retain your own counsel on these subjects.

Whether or not you have given this matter serious thought, you can't afford to be without a copy of this Bulletin. It's free and without obligation. Send for your copy today.



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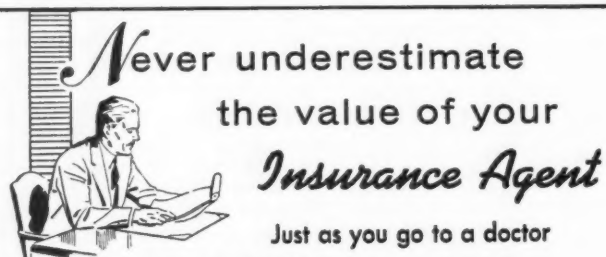
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Urges Exclusion of TV Antennas in Wind, Hail Coverage in Arkansas

Arkansas Inspection & Rating Bureau has warned field men that disastrous wind and hail losses on outside TV and radio antennas and aerials are making it necessary for companies to consider excluding wind and hail coverage on these items in dwelling and other forms covering buildings and contents.

The bureau said provision to cover this type of equipment will probably have to be made by including it in the form for a separate amount of insurance, additional premium and increased rate.

"The exclusion of TV antennas is imperative if the companies are to continue writing extended coverage with any hope of breaking even," the bureau said. More elaborate outside antennas which will accompany the advent of color TV will increase the problem, according to the bureau's statement.

The bureau pointed out that broadened sales of extended coverage have been accompanied by a claims consciousness on the part of policyholders. It said that sustained or gusty winds of 35 miles per hour almost always produce a large series of maintenance claims on TV antennas or aerials.

"The enormous increase in the number of maintenance claims must be cut down by excluding TV antennas unless covered as a separate item," the statement said.

When the bureau filed its first optional \$50 windstorm and hail deductible plan with the Arkansas department in 1953, TV and radio antennas were excluded from the regular EC coverage but could be specifically insured, under rules accompanying the deductible plan, as a separate policy item at a rate of \$5.02 per \$100. After this deductible plan had been in effect about two weeks, Commissioner Combs threw it out because he felt it was not a true optional plan. In December, 1953, the bureau filed its present optional \$50 windstorm and hail deductible which was approved by the commissioner and which has since been in use. The latter filing did not carry the TV antenna exclusion.

The optional \$50 windstorm and hail has not been widely sold in Arkansas in the past year and a half, except on large value mercantile and manufacturing risks and more expensive dwellings. Therefore, most TV antenna installations are under full coverage in the state.

Cincinnati Board Fetes New O. Superintendent

CINCINNATI — August Pryatel, Ohio's new superintendent of insurance, was honored at a mammoth luncheon under the sponsorship of Cincinnati Underwriters Assn. Attendance was close to 200, with agents, fieldmen, company executives and other insurance men among the participants.

Superintendent Pryatel gave the only talk of the meeting. He outlined insurance laws enacted by the most recent legislature.

The superintendent, who last month succeeded Walter O. Robinson, who retired because of ill health, was introduced by L. A. Hellming, president of the local board. Those at the speaker's table included two former superintendents, J. A. Lloyd, executive vice-president of Union Central Life, and

W. C. Safford, executive vice-president of Western & Southern Life.

Others seated at the head table were Robert Muir, finance officer of the Ohio department, T. M. Gray, executive secretary, Ohio Assn. of Insurance Agents, J. H. Bishop, Jr., executive secretary, Insurance Board of Cleveland, J. F. Schweer, secretary of the Cincinnati board and Henry Bristol, acting Cincinnati city manager.

N. C. Approves Sept. 1 Revision in W. C. Rates

Commissioner Gold of North Carolina has approved a filing by compensation rating and inspection bureau that will increase workmen's compensation rates for manufacturing and contractors 3.6% effective Sept. 1. Rates for all other groups will decrease 2.9%. The revision amounts to about \$166,000 increase in annual premiums.

Exchange Ins., Chicago Now Midland National

The name of Exchange Ins. Co. of Chicago has been changed to Midland National.

The change, made to avoid confusion between the company and other insurers with similar names, will not affect policies, agency contracts or any other transactions. Midland National is located at 175 West Jackson Boulevard. President is Kurt Hitke, who is head of Kurt Hitke & Co., general agency with offices throughout the country.

Midland National, a specialist in unusual risks, at June 30 had assets of \$1,142,360, with surplus to policyholders of \$515,394.

Mahoney Confirmed as Me. Commissioner

Commissioner Mahoney of Maine has been confirmed for a second four year term by Gov Muskie's executive council. He is a former Ellsworth local agent.

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WAB States Adopt IRIC Dwelling Form Suggested Changes

**Broad and All Risks Forms
Revamped; AEC Extended
to Apartment Contents**

Several rounds of Inter-Regional Insurance Conference recommendations are now being picked up in the broadened dwelling forms in Western Actuarial Bureau states. These include the title switch from dwelling buildings "all physical loss" to "special" form and changes in this and the dwelling buildings and contents broad form recommended by IRIC last December, plus conversion of time element and outbuilding extensions of these forms to specific additional amounts of insurance and a new IRIC suggestion, not previously publicized, extension of both the broad form and additional extended coverage to household and personal property in apartment buildings.

The IRIC December changes involved a number of points of clarification, the all physical loss label being altered in deference to complaints among some insurance men who felt it went too far, since the form necessarily contains certain exclusions. Among the more significant changes in coverage was elimination of wind, hail and falling objects damage to trees, shrubs, plants and lawns. This was in the wake of hurricanes Carol, Edna and Hazel. States in South-Eastern Underwriters Assn. territory, New York Fire Insurance Rating Organization, the Middle Department Assn. of Fire Underwriters and, most recently, New England Fire Insurance Rating Organization adopted the suggested changes, with certain more or less territorial differences. It is understood Pacific Fire Rating Bureau will put them off indefinitely.

Extension of AEC to contents of apartment buildings in WAB states is significant—though perhaps not so important as the corresponding rule change affecting the broad form—because it is the first such action with this endorsement. AEC has enjoyed only middling success, but its principles have been employed in the broad form with increasing popularity. Interbureau Insurance Advisory Group announced several weeks ago it was extending the use of its comprehensive dwelling policy to tenant risks, using a modified version of the broad form. According to Interbureau plans, the CDP will be available to tenants of any private residential quarters, though the actual details of filings in various states—made, as to fire and allied lines, by local fire rating bureaus—are as yet unknown. In some territories, including the WAB states, there is resistance to the idea of providing broad coverage in a building which may have some mercantile occupants. This is carried out in the new AEC and broad form filings in restricting the forms to eligible contents in buildings rated under the apartment house schedule, definitely ruling out mercantile occupancies. Similar restrictions may be placed on the Interbureau policy as it is filed

in these states.

Under the new filings, the dwelling buildings and contents broad form of WAB states differs from its predecessor in several particulars. The trees, shrubs, plants and lawns extension no longer includes coverage against wind, hail and falling objects. However, it is possible under latest rules to purchase a separate and specific amount of coverage on trees, shrubs and plants (not lawns), in which case there is coverage against these perils. The rate for specific coverage of trees, shrubs and plants under rules of Ohio Inspection Bureau, the only state for which information was available, is 7½ cents over the fire rate applicable to the dwelling and the EC rate for trees, shrubs and plants (\$2.16).

As in the past in most WAB states, wind and hail coverage of outside radio and TV equipment must be purchased under a separate item at a stout rate (dwelling fire rate plus \$4.98) with an extra 9 cents added to this if the broad form perils are to apply. In lieu of the separate item, the mentioned exclusion of wind and hail damage to radio and TV equipment stands and there is newly excluded damage by ice, snow or sleet.

The rental value feature has been revamped to leave no doubt that it applies to private structures. There is now also coverage of loss of rental value, limited to two weeks, while access to the premises is prohibited by order of civil authority as a result of damage to neighboring premises by an insured peril.

The replacement cost extension has been reworded to provide for a proportionate settlement where the amount of insurance does not equal 80% of full replacement cost but is high enough to result in a settlement which exceeds actual cash value. Also, there is a change under which the insured is permitted to elect to collect on a replacement cost basis within 120 days after the loss.

Other changes in the broad form include clarification of the wind and hail provisions—there is now an express exclusion of loss resulting from overflow of streams or bodies of water or spray therefrom in place of the simple expression "overflow." A separate definition of private structures has been added making it possible to write specific amounts of coverage on these. The debris removal clause has been simplified and a special alterations and repairs permit has been added.

Similar changes have been made in the re-titled dwelling buildings special form, with the result that the broad form and this form are virtually identical as to extensions, definitions, etc. There is now a specific exclusion of smog and the old exclusion of normal settling, shrinkage and expansion in foundations, walls, floors or ceilings has been rephrased by eliminating the word "normal" and adding pavements. The vacancy and unoccupancy provisions applicable to certain perils have been moved to the exclusions to emphasize their importance. The \$50 deductible no longer applies to loss by weight of ice, snow or sleet nor to rupture of steam heating systems, except those for heating water for domestic consumption.

The IRIC recommendation which resulted in conversion of the time element and outbuildings features of the broad and special forms from extensions to separate and additional

Continental Casualty OK Rate Cut on Autos Half-Year Premiums with Safety Belts Gain Biggest Ever

Continental Casualty had net premiums of \$95,150,240 for the first six months of 1955, a gain of \$17,075,429 and the largest increase registered by the company in any half year.

At June 30 unearned premium reserve amounted to \$61,384,991, an increase of \$7,102,589 in six months. Net income from operations, after provision for income taxes, was \$5,010,736 as compared with \$6,553,418 for the first half of 1954. Surplus to policyholders stood at \$95,273,322, an increase of \$9,867,781.

In addition to the regular quarterly dividend of 35 cents per share, payable Sept. 1 to stock of record Aug. 18, directors of Continental Casualty declared a special dividend out of its holdings of Continental Assurance shares, deliverable Oct. 14 at the rate of one share of Continental Assurance for every 100 shares of Continental Casualty held of record Oct. 3.

amounts of insurance was also intended to apply to the rental value and outbuildings extensions of regular dwelling and contents forms. For the present, however, the changes in WAB states embrace only to the new forms. In SEUA territory, bureaus announced their intention to incorporate these changes in regular dwelling and contents forms as these were revised. No such announcement was made in the middle west, but it is expected the changes will be made in the customary dwelling and contents form in due course.

The AEC endorsement is not being revised at this time, despite the extension of its applicability, though it has been announced that a revision will be forthcoming in the near future.

The Oklahoma board has approved application of Standard of Tulsa to reduce bodily injury and property damage rates on autos equipped with safety belts.

Lewis W. Hall, vice-president of Standard, said the reduction will be about 10%, and will apply both to cars owned by individuals and to fleets. Standard will equip its own fleet of cars with belts, he added, and is encouraging fleet operators insured by the company to do likewise.

Commissioner Hunt said he believes the board's approval of a specific filing is the first of its kind in the nation.

The Louisiana department has stated it will be favorable to any such requests, and an application for a rate reduction for safety belts has been filed in there by Delta Fire & Casualty.

Mr. Hall said company files indicate payments for injuries to occupants of cars involved in accidents would have been considerably less had safety belts been worn. It is the company's hope, he said, that the availability of such plan will encourage the use of safety belts and the cost of insurance will pay for the belts over a period of years.

Mr. Hall said Standard does not consider the safety belt credit a rate deviation. If others follow suit, he said, the company expects the ultimate result will be fewer fatalities and less severe disability to those who survive car accidents.

Names Malosky at Chicago

Sam S. Malosky has been named secretary of Republic and Vanguard of Dallas, and will be manager of the midwest department at Chicago.

Mr. Malosky has been with the organization in several capacities, and for the past five years has been manager at Kansas City.

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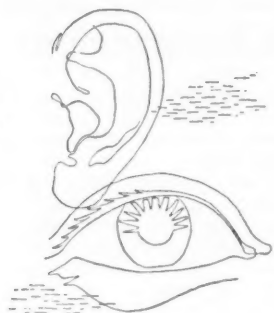
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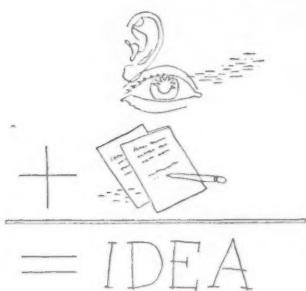
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Survey Conducted On Health Programs Of N. Y. Employers

Commerce & Industry Assn. of New York has conducted a survey among New York employers which showed that many are providing periodic medical examinations to preserve the health of key personnel, while others have indicated an interest in forming such a program.

Thomas J. Miley, association executive vice-president who conducted the survey, said the results show that preventive health programs appear to be the general rule in large companies and in some of the moderate size firms, while there are comparatively few among smaller businesses.

Some 319 firms with a total of more than 300,000 employees, representing all types of businesses and industry, participated in the survey. Of the total 130 already have preventive health programs in operation on the executive level and 87 others are considering such programs to cover top policy making and middle management personnel.

A total of 189 of the firms surveyed do not have medical checkup plans, and 102 of them evidenced no interest in developing one. Less than 10% of the total personnel covered in the survey are in the latter group.

Of the 130 firms which have preventive health plans, 119 provide yearly examinations for a total of 14,856 executives and supervisory personnel. The number examined was not given by the other 11 firms.

A periodic checkup is compulsory in 20% of the plans reported. Among the voluntary plans an average of 80% of eligible executives and others participate. The cost of examinations is borne by 94% of the firms with plans.

The 130 plans now in effect take in all top executives, 112 of them also cover middle management, 62 first line supervisors and 48 include key non-supervisory personnel.

Complete FTC Hearing on Educators Mutual

WASHINGTON—After two days of hearing here before Examiner Frank Hier on federal trade commission's complaint against Educators Mutual of Lancaster, Pa., charging false and misleading advertising of A&H policies, Commission Counsel F. C. Mayer and P. R. Melancton were granted five days after receipt of transcript of hearing in which to decide whether FTC is closing its case. It is believed ready to do so.

Counsel for Educators Mutual then will have until Aug. 25 to file notice

of motion to dismiss complaint, and until Sept. 25 to file brief in support. After that FTC will have until Oct. 15 to reply to that motion.

At the hearing the commission presented evidence in the form of contracts, policies, advertising, claims figures, etc., particularly with respect to sale of individual policies and policies for groups of less than 25 persons during the years 1953 and '54.

Witnesses testifying were J. Lawrence Strickler, company president; Albert W. Adey, vice-president, and Harold W. Diffendorfer, claims department supervisor.

Mutual Benefit Study Lists Tonsils as Major Cause of Disability Among Children

Diseased or enlarged tonsils were listed as the disability cause for 27% of the girls and 23% of the boys covered by a three-year study of benefits paid to policyholders of Mutual Benefit H&A.

The study showed that the second greatest cause of disability among children is upper respiratory infections such as influenza, pneumonia and bronchitis which affected 15½% of the children in the survey.

Appendicitis was listed as the disability cause for more than 5% of the cases studied.

The study also showed that children have more than 2½ times as many ear disorders as adults.

Two Named in Field by Berkshire Mutual

Berkshire Mutual Fire has appointed Herbert C. Groves special agent in New Jersey, Maryland, Delaware and Pennsylvania. He replaces William B. Palmer who has been assigned to western Massachusetts and Vermont.

Mr. Groves joined Berkshire Mutual in 1953.

William H. Sweeney has been named special agent for eastern New York. Mr. Sweeney joined Berkshire Mutual in 1947. For the past year he has been working special field assignments in North Carolina, New Jersey and New York.

California School to Offer Insurance Courses

University of California extension at Los Angeles will offer several insurance courses at its downtown center, 813 South Hill Street, this fall and winter.

The courses, beginning in September and October this year and February 1956, include principles of insurance, general property and casualty, WC act of California, A&H, fire tariff rules and rates, casualty law for claims adjusters, and other related courses.

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Cal. Opens Probe of Union Purchase of California Life

An investigation into the method by which Laundry Workers International Union, AFL, obtained control of California Life has been ordered by Commissioner McConnell and Attorney General Brown of California. The order followed an issuance of a report by a Senate subcommittee which has been investigating union employee welfare funds.

The report charges that Louis B. Saperstein, Newark, N.J., insurance broker; Matthew J. Dooley, a member of California public utilities commission; Haines B. Wickes, consulting actuary of California Life and former vice-president of Security Mutual Life of Binghamton, N.Y., and a group of union officials purchased controlling stock in the company and then resold it to the union's welfare fund.

The subcommittee also charged collusion and complicity among insurance, union and employer representatives in the alleged \$1 million looting of the fund.

The committee report on the sale of California Life is as follows:

In May and June of 1953 at meetings attended by Mr. Dooley, Mr. Wickes, Mr. Saperstein, union officials, and Orville Faris, president of California Life, an understanding was reached whereby members of this group agreed to furnish the money to purchase controlling stock of the insurer.

On Aug. 6, 1953, Mr. Dooley, acting as trustee for this group, purchased for \$132,000 16,045 shares—about 64%—of the common stock, which was sufficient to gain control of the company. To make this purchase \$144,000 had been furnished: \$18,000 by Mr. Dooley, \$9,000 by Mr. Wickes and \$117,000 by Mr. Saperstein, who flew to San Francisco to deliver the money and close the deal. Of the total furnished by Saperstein, \$67,000 was derived from his insurance agencies and the remaining \$50,000 represented a "union pool" to which LWIU officials had contributed.

The union group was composed of Sam J. Byers, international president; Eugene C. James, secretary-treasurer; Charles Naddeo and Charles R. Goldstein, vice-presidents of the international union and officials of locals 10 and 52 of Philadelphia and Los Angeles, respectively, and Jacob Friedlander, an attorney for local 284 in Jersey City.

After thus obtaining control of California Life, Mr. Dooley on Aug. 14, 1953, formed a holding company known as Founders Syndicate of America, Inc., Reno, which was authorized to issue 100,000 shares of preferred stock (\$10 par value) and \$60,000 shares of common stock (no par value). All voting rights were vested in the common stock.

Mr. Wickes resigned from Security Mutual Life as of Sept. 1, 1953, and became associated with California Life. On Sept. 2 California Life directors resolved to sell Founders Syndicate of America 39,213.4 shares of preferred stock at \$10 per share. On Sept. 25 Founders Syndicate had its first meeting at which Louis Edell, a nominee of Saperstein, was elected president; Mr. Wickes, secretary-treasurer; and Mr. Faris, vice-president.

In the latter part of September Mr. Saperstein, allegedly acting on instructions of Mr. Byers, by telephone notified Security Mutual Life that the LWIU insurance account was being cancelled as of Sept. 30, the end of the premium year.

The minutes of the Oct. 5-6, 1953, meeting of the board of trustees of the LWIU social security department reflect that Mr. Wickes, at Mr. Saperstein's suggestion, was appointed consulting actuary for the department at a salary of \$10,000 a year. These minutes also show that at Mr. Wickes' suggestion the union's insurance was

transferred from Security Mutual Life to California Life, effective Oct. 1.

At the meeting there was considerable discussion of the inequities allegedly occurring under Security Mutual Life after which the trustees resolved to transfer the insurance to California Life. No mention was made of the fact that the insurance had already been canceled by Mr. Saperstein or of Security Mutual Life's notifying him that it would be necessary to curtail his commissions and disburse with the special service fees.

The trustees also resolved to invest \$450,000 of the social security depart-

ment trust fund reserves in preferred stock of Founders Syndicate after Mr. Dooley informed them that he "understood" that a large block of California Life preferred stock was "available" through this corporation after discussion to the effect that this would be a good investment. No mention was made of the fact that Messrs. Saperstein, Dooley, Wickes and a group of some of these very same LWIU officials at this time owned controlling interest in California Life stock.

On Oct. 23 there was an issue of 32,536 shares of common stock of

(CONTINUED ON PAGE 33)

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Agents to Honor Watson, Rating Veteran

New Jersey Assn. of Insurance Agents is sponsoring a testimonial dinner to honor Leon A. Watson, retiring general manager of Fire Insurance Rating Organization of New Jersey, Oct. 26 at the Waldorf-Astoria Hotel in New York. In addition, the field clubs of New Jersey will participate in the tribute.



Leon A. Watson

S. S. Holland of Jersey City, past president of the agents' association, is general dinner chairman. More than 2,500 guests, including insurance executives and state officials, are expected to attend the testimonial.

S. Gage Lewis, formerly assistant general manager of the rating organization, succeeds Mr. Watson as general manager. However, Mr. Watson is continuing in a consultant capacity as secretary-treasurer of the rating organization for a year.

Mr. Watson's career spans the era from the beginning of the modern surge of property insurance at around the time of the first world war to the modern era of strict rate regulation of a giant business. He has been connected with fire insurance rating for 33 years. He entered insurance as an office boy with Home in New York at 16 (he now is not 66), and after two years he went with a general agency in New York as a field man inspecting building risks in New Jersey.

In 1910 he joined an independent rate making bureau in Camden. This was at a time when rate making in New Jersey was in a state of confusion because the New Jersey courts had ruled that fire insurers could not make rates cooperatively.

Legislation was adopted by New Jersey in 1913 which permitted the insurers to join in retaining an expert to make fire rates. Atlee Brown of Philadelphia was named the expert for the state, and Mr. Watson went into his office as an inspector. Eventually he became Mr. Brown's chief assistant and he took over the rating bureau when Mr. Brown died in 1922.

Until the commerce decision in 1944, the rating bureau, for most of the years called Schedule Rating Office of New Jersey, was operated by Mr. Watson as an independent contractor with some 225 insurers as members and subscribers. After the commerce decision, Mr. Watson sold the business to Fire Insurance Rating Organization of New Jersey for \$1. FIRONJ continued with the same personnel.

When Mr. Watson started, fire rating may have been unscientific (it may not be wholly scientific yet) but it had to be technical enough to justify the rates that were charged—and successful enough to get enough premiums to pay losses, expenses, and a profit. In the process, the rating bureau had to please the majority of companies, agents, and members of the public, as well as the insurance department.

Over the years, Mr. Watson has gotten along successfully with the insurance department. He has understood its problems, he knew thoroughly his own business, and he has had a keen grasp of the area in which regulation and rating must mesh to produce a satisfactory result for the public and insurers. He is to a high degree an

honest man in his dealings and thinking. He is also very successful in his relationships with people, and he has known how to compromise when it was necessary.

But perhaps even more important to the success that he has achieved in his field, and he is regarded as one of the major figures in the rating sphere, has been his relation with agents of the state. He has always been close to agents. In the early days, he spent much time and effort in carrying the story of rating to the agents. He was also much interested in the efforts of helping leaders in the agency ranks form stronger local associations and a good state association. In former years he spoke often at agency gatherings. He felt that what was constructive for agents and their associations was constructive for the business as a whole. It is not surprising that the agents of New Jersey want to do something special for him now that he is tapering off and will soon retire.

With agency leaders of New Jersey he saw the commerce decision coming and with their aid and that of others in insurance had much to do with the revision of the rating law in his state. It was the first or one of the first to go into effect after the commerce decision was handed down and before the all industry bills began to be passed.

When his retirement becomes complete next year, Mr. Watson plans to occupy his home at Point Pleasant, on the Manasquan River in New Jersey, permanently. The Watsons have maintained a home also at Linden, closer to Newark. A son, Leon Jr., is manager of Fire Insurance Rating Organization of New Jersey's Asbury Park branch.

Chicago Casualty Managers Stage Annual Golf Party

There was a good turnout for the annual golf party and outing of Assn. of Casualty & Surety Managers of Chicago, held at Olympia Fields Country Club. The program included luncheon and dinner, and there were special recreational features for non-golfers.

Among the guests were Justin T. McCarthy and several of his key associates in the Illinois insurance department. Kyle E. Simpson, Home, the association president, and H. N. Douglass, New Amsterdam Casualty, program chairman, presided.

Turning in the low golf scores were Clyde A. Winkler, Yorkshire; Frank G. Grothe, Globe-Royal; J. S. Richardson, Standard Accident, and Laddie T. Pelnar and Arthur Krisher of the insurance department.

Dunning to Pacific Board

Wallace E. Dunning has been appointed to the new post of research assistant for Pacific Board at San Francisco. He will work on research projects of board committees.

Mr. Dunning began his insurance career with Home at San Francisco in 1948 and was a marine underwriter for Atlantic companies at San Francisco from 1952 until he accepted his present post.

Cal. Adjusters to Meet

California Assn. of Independent Insurance Adjusters will hold its annual convention Sept. 29 to Oct. 1, at the Sheraton-Palace Hotel, San Francisco.

Directors will meet Sept. 29 and Sept. 30 will feature speakers, a "Claims Quiz Panel", and the annual banquet. Oct. 1 will be devoted to a general business meeting.

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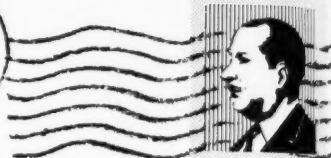
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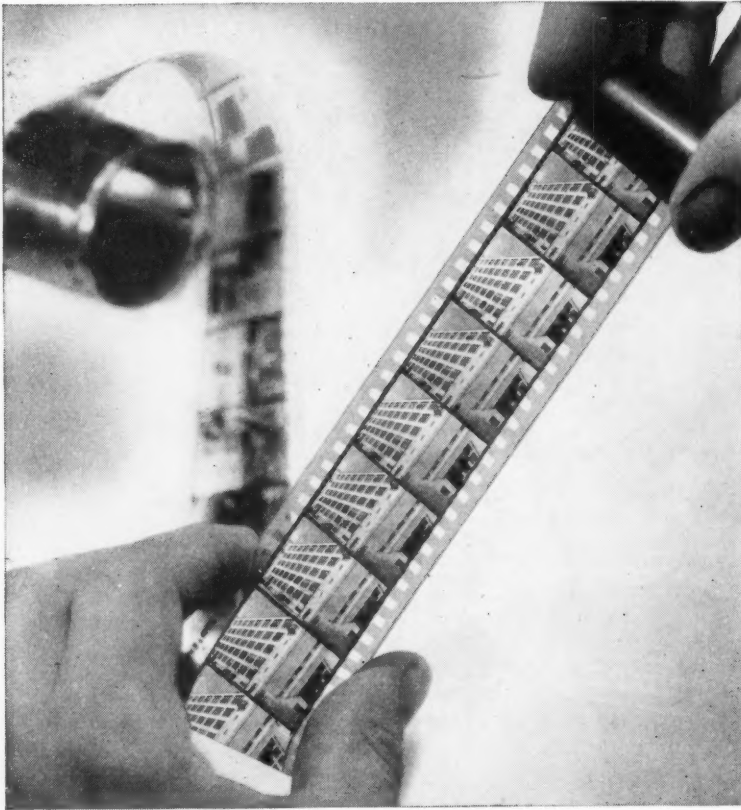
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Ohio A&H Bill Makes Drastic Changes in Uniform Provisions

Bureau of A&H Underwriters has sent its members copies of the recently enacted Ohio measure which abolishes the cancellation provision in A&H insurance and prohibits the non-renewal of all but accident only policies except on anniversary dates.

The text of the bill was accompanied by a four page bulletin analyzing the salient points of the law in addition to the changes required in individual contracts. It is an omnibus measure enlarging the rule-making power of the superintendent of insurance. It subjects group insurance certificates on domestic groups to Ohio department inspection, defines the terms "total disability", "accidental death", and "confinement to house", repeals the cancellation provision of the uniform individual A&S policy provisions law, newly subjects industrial A&H insurance to the requirements of the policy provision law and imposes a heavier burden of proof on an insurer which seeks to introduce as evidence at a trial the falsity of any statement in insured's application.

Effective date of the new law is July 1, 1956. The law amends the uniform provisions law, which becomes effective in the state Jan. 1, to a degree unparalleled anywhere. Five distinct drafting changes have been made. The period of time in the time limit on certain defenses provision has been reduced in each instant from three to two years. The grace provision has been amended by striking out the optional language referring to the cancellation provision. All policies of individual insurance in which the insurer reserves the right to refuse any renewal, except accident only policies, must provide in substance that the insurer cannot refuse to renew a policy once issued except at the policy anniversary date. To the list of required provisions has been added a further provision on cancellation which applies also to the accident only policies which are exempt from termination —only-on-anniversary —dates restrictions. This provision permits cancellation by the policyholder at any time and prohibits cancellation by the insurer. The cancellation provision of the uniform law has been repealed. The statute specifically permits insurers to effect all of the changes by rider or endorsement if desired.

The bureau bulletin notes that companies engaged in a general change-over from 1912 to 1950 type policies this year can choose to ignore the Ohio statute until after the refiling program is completed. The required changes can be effected by rider in Ohio and the rider can be filed between Jan. 1 and July 1, 1956.

New A&H Form of BARE Has Lifetime Disability

A new form of non-cancellable, guaranteed renewable accident and medical expense protection with lifetime disability benefits has been issued by Benefit Association of Railway Employees, Chicago.

The policy is written in units of \$100 per month to a maximum of \$300, with a choice of \$500 or \$1,000 medical expense reimbursement covering doctor and hospital fees and expense for graduate nurse in hospital. Rate for AAA-AA risks for the \$300 per month

unit with \$1,000 medical expense reimbursement is \$83 annually.

An innovation in rate structure is the special classification of A* for farmers, with a rate of \$46 for the basic \$100 per month unit with \$500 medical expense benefit, and a rate of \$28 for each additional \$100 per month unit. Medical expense benefit in all units is limited to either \$500 or \$1,000.

This policy is issued to full-time employed men and women, ages 18 to 59, and is guaranteed renewable to age 65, renewable thereafter at option of company. It provides accident disability for one year based upon own occupation, thereafter as long as insured is prevented from working at any occupation and one-half benefits for as long as six months for partial disability. Basic \$100 unit carries \$2,500 accidental death, which may be written in increasing amounts up to \$25,000 maximum.

Sparrow, Wood Promoted by American-Associated

Dana E. Sparrow has been promoted to staff superintendent of the underwriting department for American-Associated. He has been superintendent of the home office payroll audit division for 13 years.

L. J. Wood, payroll audit supervisor at Dallas, will succeed Mr. Sparrow.

Mr. Sparrow began his career in accounting and auditing in 1933, joined Travelers as a payroll auditor at Chicago in 1935 and went with American-Associated in 1942, forming the company's payroll audit division.

Mr. Wood joined United Employers Casualty as a payroll auditor at Houston in 1936 and went with American-Associated at Dallas in 1941.

H. C. Wolfe Jr., payroll auditor at Dallas, will succeed Mr. Wood there.

Stidham GAB Manager At Clarksdale, Miss.

General Adjustment Bureau has named Harry G. Stidham, manager of Dyersburg, Tenn., as manager at Clarksdale, Miss., succeeding John C. Kenyon, who, because of poor health has been given less arduous duties in direct loss adjusting.

Mr. Stidham joined GAB in 1939 and has also served at Tupelo, Miss., and Memphis. Mr. Kenyon, with GAB for 35 years, had been manager at Clarksdale since 1933.

Montana Agents Form New Advisory Council

Representatives of six Montana insurance associations have formed Montana insurance advisory council to coordinate activities of the state insurance industry.

Represented in the council are Montana Assn. of Mutual Agents, Montana Assn. of Insurance Agents, Independent Agents Assn., Montana Life Underwriters Assn., and Surplus Line Assn.

Pa. Bills Move

Two bills have been approved by the Pennsylvania house insurance committee and sent to the floor for vote.

One would further regulate reserves of domestic mutual fire insurers which require cash premiums in advance and whose annual premium income exceeds \$75,000. Such companies would be allowed to build up reserves by setting aside at least 20% of unearned premium reserves each year for five years, beginning next Jan. 1. The reserves would be the same as required of stock companies.

The other would increase fees for agents and brokers from \$5 to \$10 for second or subsequent examinations; increase the annual agents' license fee from \$2 to \$3, and provide that the fee for examination shall cover all lines of insurance for which the test is taken.

Third Army Group Endorses Auto Cover Plan for Ft. Bragg

A plan to speed issuance of automobile liability cover by companies licensed in North Carolina to military personnel at Fort Bragg has been endorsed by a subcommittee of the Fayetteville chapter of the third army advisory committee.

The committee, composed of four army officers and five civilians, recommended that an office of the assigned risk bureau be set up in the area. It reported no evidence of "malfeasance, illegal collusion or racketeering" in connection with automobile liability insurance at the fort.

Reporting to the commanding general of the third army, the committee said "North Carolina Assn. of Insurance Agents and North Carolina Assn. of Mutual Insurance Agents propose that participants in the state's automobile assigned risk plan, together with the proper state authorities, develop a plan to provide immediate automobile liability coverage upon application, and a method of deferred payments of premiums."

The committee added that it found three of the companies represented at the fort were not licensed in the state but were licensed in other states. It also found that the rates generally charged by the non-licensed companies were higher than those charged by licensed companies. "While this is by no means a desirable condition," the committee stated, "it was a situation brought about primarily because the licensed companies shied away from taking assigned risks on cars belonging to service personnel and until Jan. 1, 1954, servicemen who were citizens of other states and had their vehicles registered in other states were not eligible to purchase automobile insurance in the state. Since then, the non-licensed companies have continued to operate on the post, largely because of interest and absence of competitive spirit on the part of licensed companies and agents in the communities surrounding Fort Bragg."

American Surety Names Fecho at St. Louis

American Surety has appointed James A. Fecho special agent at St. Louis. He joined the company in 1952 as an assistant casualty underwriter trainee and was named a casualty underwriter in 1953. He is a graduate of the company's special agents training course.

Parmentier is AFIA South Africa Manager

Fred J. Parmentier has been named by American Foreign Insurance Assn. as manager for South Africa and supervisor for Southern Rhodesia. Except for a temporary assignment in Bombay, he has been assigned to South Africa since 1952.

W. Va. Mutual Agents List Speakers for Convention

A series of speakers and workshop sessions will highlight the convention of West Virginia Assn. of Mutual Insurance Agents at the Waldo Hotel, Clarksburg, Sept. 11-13.

Speakers and their subjects will be Col. Raymond Boyles, superintendent department of public safety, "Safety and Inspection Law"; Joseph P. Condry, motor vehicle commissioner, "Safety Responsibility Law and Ad-

ministration"; Simon Bailey, safety responsibility law department director, "Assigned Risk Procedure Under Safety Responsibility Law"; Commissioner Gillooly, "Cooperation and What the Department Expects from Agents"; O. C. Lee, vice-president Harleysville Mutual, "More Time for Selling"; Paul H. Dubuc, Shelby Mutual Casualty, "New Automobile Policy—September 1955 Revision"; and Paul R. Gingher, executive vice-president State Automobile Mutual, "American Agency System."

Associated Has Cover on Crashed Convair of American Airlines

The hull of the American Airlines convair that crashed near Ft. Leonard Wood, Mo., killing all 30 persons aboard is valued at about \$500,000. Associated Aviation carries the American line.

The plane was enroute to New York from Tulsa and had just left Springfield, Mo., when the pilot radioed that his number 2 engine was ablaze and he

could not extinguish the flames.

The fire was started when a cylinder head blew off. It acted as a blow torch and burned through the right wing which fell off. The plane then plummeted to earth, crashing into some trees.

Employers Mutual of Wausau was one of 24 advertisers that received an award from *Saturday Review* for "distinguished advertising in the public interest." J. Walter Thompson is the agency.

THE CRUM & FORSTER GROUP

FINANCIAL STATEMENTS AS OF DECEMBER 31, 1954

ASSETS

	UNITED STATES FIRE INS. CO.	NORTH RIVER INS. CO.	WESTCHESTER FIRE INS. CO.	U. S. BRANCH WESTERN ASSURANCE	U. S. BRANCH BRITISH AMERICA	SOUTHERN FIRE INS. CO.
Cash in Banks & Trust Companies	\$ 8,882,644	\$ 4,053,093	\$ 3,950,563	\$ 904,441	\$ 533,367	\$ 819,177
★United States Government Bonds	36,908,816	19,905,120	19,926,605	6,931,823	3,701,674	2,388,736
★Other Bonds	16,422,150	8,080,358	9,112,363	1,278,895	716,220	799,324
★Stocks	44,529,695	29,259,270	29,772,345	1,108,403	1,323,504	1,975,439
Mortgage Loans on Real Estate	3,859	5,900	10,804	0	0	0
Real Estate	112,590	0	0	0	0	0
Premium Balances Receivable (Not over three months due)	3,394,990	1,883,629	1,697,854	388,533	202,104	241,504
Interest and Real Estate Income Accrued	227,533	118,365	151,621	24,272	13,847	12,016
Other Assets	2,555,861	688,412	2,086,614	169,467	80,847	89,158
Total Admitted Assets	\$113,038,138	\$63,994,147	\$66,708,769	\$10,805,834	\$6,571,563	\$6,325,354

LIABILITIES

Reserve for Unearned Premiums	\$ 37,863,757	\$19,399,320	\$21,142,469	\$ 3,716,050	\$2,038,636	\$2,521,253
Reserve for Losses and Loss Expenses	10,848,316	6,103,621	7,072,634	1,391,790	742,699	730,715
Reserve for Taxes and Expenses	2,328,536	1,424,700	1,583,000	377,500	199,000	177,240
Reserve for All Other Liabilities	2,223,102	846,802	1,243,414	209,895	104,010	41,066
Capital	3,000,000	2,000,000	2,000,000	†500,000	†500,000	750,000
Net Surplus	56,774,427	34,219,704	33,667,252	4,610,599	2,987,218	2,105,080
Surplus to Policyholders	59,774,427	36,219,704	35,667,252	5,110,599	3,487,218	2,855,080
	\$113,038,138	\$63,994,147	\$66,708,769	\$10,805,834	\$6,571,563	\$6,325,354

* Bonds and Stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners.

Securities in statements include amounts deposited with various states, as required by law, in the following amounts: United States Fire, \$4,533,536; North River, \$3,475,523; Westchester Fire, \$3,431,237; Western Assurance, \$1,188,935; British America, \$1,140,268; Southern Fire, \$512,658.

On the basis of December 31, 1954 market quotations for all bonds and stocks owned, the Total Admitted Assets and Surplus would be increased by the following amounts: United States Fire, \$399,634; North River, \$50,022; Westchester Fire, \$2,152; Western Assurance, \$2,287; British America, \$4,806; Southern Fire, \$18,848.

† Statutory Deposit.

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WESTERN DEPARTMENT FREEPORT, ILLINOIS	PACIFIC DEPARTMENT SAN FRANCISCO, CALIFORNIA	SOUTHERN DEPARTMENT ATLANTA, GEORGIA	VIRGINIA-CAROLINAS DEPARTMENT DURHAM, NORTH CAROLINA	ALLEGHENY DEPARTMENT PITTSBURGH, PENNSYLVANIA
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Buckeye Assets Up by \$1,500,000 at Midyear

The Buckeye Union companies had premium income of \$12,692,432 during the first six months of 1955. Assets during the same period rose to \$35,836,246, an increase of almost \$1.5 million, while surplus to policyholders was \$11,883,545.

Buckeye Union Casualty ended the fiscal year with total premium income of \$9,674,539, assets of \$27,709,349 and

surplus to policyholders of \$9,386,459. The company paid \$4,394,074 in claims. Buckeye Union Fire had a premium income of \$3,017,893, assets of \$8,126,897 and surplus to policyholders of \$2,497,085. The company paid \$1,561,672 in claims. The company accredited the increase in claims to a severe windstorm in March which resulted in 14,000 claims.

Montgomery Insurance Womens Club will hold its annual barbeque on Aug. 17, at Yancey park.

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2,413 Binders Issued by War Risk Agency

WASHINGTON—A report on activities of war risk agency of Department of Commerce through June 30 shows that it issued 2,413 binders, broken down as follows: hull 882, protection and indemnity 798 and crew life and personal effects 733. After payment of agency fees and expenses totaling \$44,279 the net amount of binder fees collected was \$112,320.

The maritime administrator continued insurance on a ship being constructed by Bethlehem-Pacific Coast Steel Corp. for Pacific Far East Lines Inc. until the vessel was launched May 17, after which it was commercially insured, according to the report.

Under its war risk cargo program the maritime commission executed one contract during the quarter with cargo underwriting agents, making a total of 23 executed since this form of contract was approved in July of 1954.

The arrangement with the navy secretary under which the maritime commission provides second seamen's insurance for tankers operated for military sea transportation service was extended until June 30, 1956. This insurance is provided without premium as the result of an agreement by the navy secretary to indemnify the commission for losses covered by it. At quarter end 37 tankers were covered by the program and no claims had been received since the coverage went into effect Jan. 1, 1954.

General Accident Names Webber, Palmer in Mich.

General Accident has named Stanley F. Webber special agent for Detroit and Wayne County and Spencer J. Palmer special agent for western Michigan at Grand Rapids.

Mr. Webber entered insurance in 1945 as a local agent at Dearborn.

Mr. Palmer began his insurance career with Standard Accident at Detroit in 1947, was named special agent at Washington, D.C., in 1952. Later that year he joined Citizens Mutual Auto at Howell, Mich., and was sales director at the time he joined General Accident.

Portland Agents to Hear Hearn

Speaker at the annual meeting of Portland Assn. of Insurance Agents Aug. 18 at the Multnomah Hotel will be A. E. Hearn, Portland manager of General Adjustment Bureau. Mr. Hearn will discuss the all physical loss and broad form dwelling coverages which are available in Oregon and the problems presented by the new forms from the claims adjustment standpoint.



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(CONTINUED FROM PAGE 1)

insured for BI and PDL; today the percentage is 96.08%, according to the report. These figures are based on the evidence of insurance in connection with accident reports received by the MV bureau. There were 583,370 such reports received in 1954, compared with 559,442 in 1953.

The report states that at the end of May, out of 3,945,384 registrations tabulated, 3,520,818 registrants indicated there was insurance in effect on the motor vehicle at the time of registration; 424,566 indicated there was no insurance. This indicates that approximately 90% of motor vehicles registered in the state are presently insured.

The number of uninsured persons who have complied with the motor vehicle bureau's order of suspension by posting security now exceed 90,000 and the amount of money deposited exceeds \$15 million.

There was an increase of approximately 120,000 in registrations in 1954, to a total of 4,549,252. There were 6,157,319 licensed drivers, an increase of 200,000 over 1953.

The number of accidents in 1954 increased from 114,062 to 120,643. The number of deaths decreased.

The motor vehicle bureau evaluated slightly more than 147,000 cases in 1954, compared with 191,000 in 1953, a decrease of about 23%. This indicated that more reports received by the bureau showed that insurance coverage was in effect at the time of the accident, according to the report. The decrease is not entirely due to the existence of more insurance, however, because there was an increase of approximately 8,000 non-reportable accidents during the year.

The 1952 legislature amended the law as to reciprocity between states and the beneficial results of this reciprocity are becoming increasingly apparent, according to the report. Several states act with dispatch to suspend licenses and registration certificates and plates of motorists for failure to comply with provisions of the New York FR law. A study now is being made to expand or at least to intensify this reciprocity operation.

Responsibility legislation has proved its worth over the years, the report concludes. Most states have such laws, and they have wrought far reaching improvement compared with the situation 15 years ago. New York laws in this regard are fair to the motoring and non-motoring public. However, there is always room for improvement and if further study is called for it should be made to make FR legislation as absolutely foolproof as possible. Just and adequate compensation must be assured all persons suffering loss from the negligence of others, the report concludes.

The report of motor vehicle bureau for April showed that automobile deaths were down 19%, to 144, but all other categories were moving relentlessly upward—personal injury accidents up 11% to 11,087, personal injuries up 15% to 16,496, property damage accidents were up 14% to 4,636,430, and the estimated cost of property damage accidents up 25% to \$3,835,022.

Drivers under 18 were involved in two more fatal accidents this April than a year ago and in 36 more non-fatal accidents, a total in the latter category of 184. There were 881 unlicensed operators for the year to date in-

involved in accidents, compared with 621 a year ago.

Farmers Exchange Gets Auto Cover

The automobile and general comprehensive liability policy covering the City of Renton, Wash., for \$50/100/10 BI and PD limits has been awarded the Farmers Exchange on a bid of \$4,409. The bid was submitted by Tony Baffaro, Renton. Farmers wrote the policy last year.

Charles Leonard, formerly with Allstate in Burlington, Vt., has become a partner in the Robert T. Ross agency at Maynard, Mass.

Van Zeeland Honored

Agents Managers, New York casualty underwriters and managers, gave a dinner there in honor of Paul van Zeeland, a member of the board and former prime minister of Belgium. Other guests included, Ben D. Cooke, managing director of Agency Managers; Baron Silvercruys, Belgian ambassador to the U. S., and Maurice Iweins d'Eeckhoutte, Belgian consul general at New York.

Two Admitted in W. Va.

West Virginia has admitted General Casualty and Safeco, members of General of Seattle group.

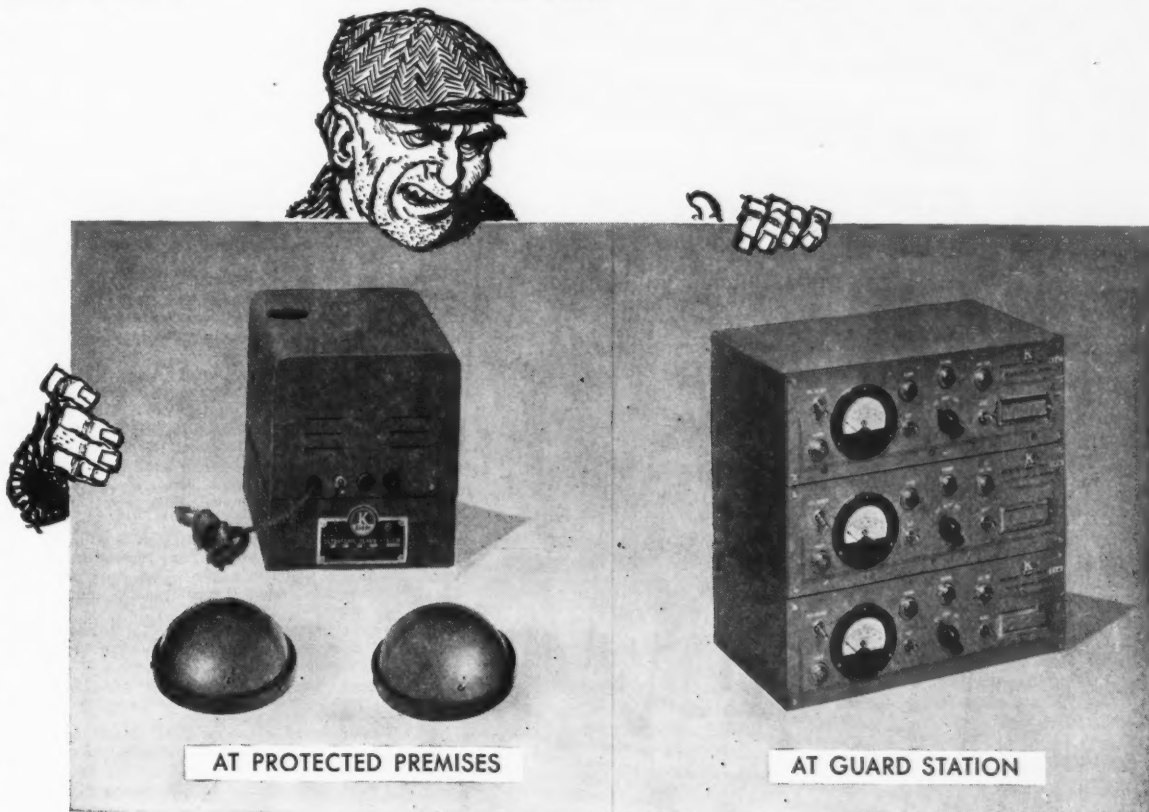
Reinsure Western Mutual, O.

The Ohio department has approved an agreement whereby Grain Dealers Mutual of Indianapolis will assume assets and liabilities of Western Mutual Fire of Columbus.

Western will dissolve and certain policyholders will receive certificates of reinsurance from Grain Dealers.

The Indiana company has been in business for more than 50 years and has assets of more than \$23 million.

All Michigan business of Western Mutual has been reinsured by the Barry & Eaton Mutual of Charlotte, Mich.



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TRY as they might, thieves simply cannot fool the new Kidde Ultrasonic Burglar Alarm System!

Unlike conventional devices, which furnish only perimeter protection, the Kidde system gives *complete* wall-to-wall, floor-to-ceiling coverage, guarding *every single inch* of the area you want protected!

Properly installed, the Kidde Ultrasonic Burglar Alarm System qualifies as a Class 2 installation. Filling a room with waves of sound too high to be detected by the human ear, the Kidde system protects *all* of the following 5 possible points of entry!

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WINDOWS! Forcing a window within the protected area will trigger the alarm *immediately*. Here, a thief is stopped before he starts.

DOORS! With the Kidde system on the job, the slightest opening of a door sounds the alarm immediately, stops any thief in his tracks. No way of entry here!

HERE'S HOW IT WORKS: Transmitter sends out waves of sound too high to be detected by the human ear. Receiver listens for possible disturbances of waves. If waves are disturbed in any way, electronic "brain" triggers alarm.

Operating from a standard electrical outlet, the Kidde Ultrasonic Burglar Alarm System requires no permanent, expensive wiring, can be moved from place to place with little trouble. The Kidde system is also available through Central Station and Local Alarm Companies approved by Underwriters' Laboratories. For more information on this economical, fool-proof protection, send today for Kidde's Ultrasonic Alarm System Booklet.

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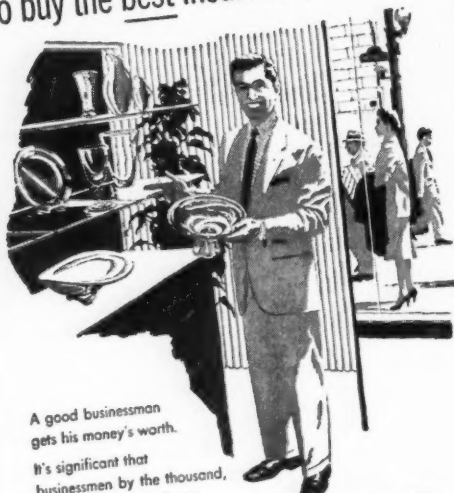
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Nation's Business—Sept.

U. S. News & World Report—Sept. 23

Better Homes and Gardens—Oct.

American Home—Oct.

Town Journal—Sept.

Convention Dates

Aug. 14-17, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.

Aug. 17-20, Federation of Insurance Counsel, annual, Sheraton Park hotel, Washington, D. C.

Aug. 21, American Bar Assn. insurance law section, annual, Philadelphia.

Aug. 22-23, South Dakota Assn. of Insurance Agents, annual, Rapid City.

Sept. 5-7, International Federation of Commercial Travelers Insurance Organizations, annual, Sun Valley Lodge, Sun Valley, Ida.

Sept. 11-13, Pennsylvania Assn. of Insurance Agents, annual, William Penn hotel, Pittsburgh.

Sept. 11-14, Idaho Assn. of Insurance Agents, annual, Sun Valley Lodge, Sun Valley.

Sept. 12, Vermont Assn. of Insurance Agents, annual, Lake Morey Inn, Fairlee.

Sept. 12-13, Utah Assn. of Insurance Agents, annual, Ben Lomond hotel, Ogden.

Sept. 12-14, International Claim Assn., annual, Lake Placid Club, Lake Placid, New York.

Sept. 12-14, Ohio Assn. of Insurance Agents, Sheraton-Gibson hotel, Cincinnati.

Sept. 14-16, Illinois Assn. of Mutual Insurance Companies, annual, Pere Marquette hotel, Peoria.

Sept. 14-16, Maine Assn. of Insurance Agents, annual, The Samoset, Rockland.

Sept. 14-16, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.

Sept. 15-16, New Jersey Assn. of Insurance Agents, annual, Chalfonte-Haddon Hall, Atlantic City.

Sept. 15-16, Minnesota Assn. of Insurance Agents, annual, Hotel Kahler, Rochester, Minn.

Sept. 15-17, Louisiana Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

Sept. 15-17, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings.

Sept. 18-20, Washington Assn. of Insurance Agents, annual, Leopold and Bellingham hotels, Bellingham.

Sept. 19-20, Minnesota Assn. of Mutual Insurance Agents, annual, Leamington hotel, Minneapolis.

Sept. 19-21, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea hotel, Portsmouth.

Sept. 20-21, South Carolina Assn. of Insurance Agents, annual, Columbia hotel, Columbia.

Sept. 20-23, Mutual Loss Managers Conference, Chicago.

Sept. 22-23, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.

Sept. 25-27, Kentucky Assn. of Mutual Insurance Agents, annual, Kentucky hotel, Louisville.

Sept. 26-27, Mutual Agents of New England, Hotel Somerset, Boston.

Sept. 26-28, Bureau of Accident & Health Underwriters, annual, Mount Washington hotel, Bretton Woods, N. H.

Sept. 28-30, Society of Chartered Property & Casualty Underwriters, annual, Fairmont hotel, San Francisco.

Sept. 29-Oct. 1, Nevada Assn. of Insurance Agents, annual, Sahara hotel, Las Vegas.

Oct. 2-5, National Assn. of Casualty & Surety Agents, annual, The Greenbrier, White Sulphur Springs, W. Va.

Oct. 3-6, National Assn. of Insurance Agents, annual, Statler and Biltmore hotels, Los Angeles.

Oct. 3-6, California Assn. of Insurance Agents, annual, Biltmore and Statler hotels, Los Angeles.

Oct. 9-12, Conference of Mutual Casualty Companies, Jefferson hotel, St. Louis.

Oct. 9-13, National Assn. of Mutual Insurance Companies, annual, Jefferson hotel, St. Louis.

Oct. 10-12, Federation of Mutual Fire Insurance Companies, Jefferson hotel, St. Louis.

Oct. 16-18, Maryland Assn. of Insurance Agents, annual, Fort Cumberland hotel, Cumberland.

Oct. 17, Rhode Island Assn. of Insurance Agents, annual, Sheraton-Baltimore hotel, Providence.

Oct. 17-19, National Assn. of Mutual Insurance Agents, annual, Netherland Plaza hotel, Cincinnati.

Oct. 17-19, Western Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.

Oct. 17-19, Wisconsin Assn. of Insurance Agents, annual, Hotel Schroeder, Milwaukee.

Oct. 21-22, New Mexico Assn. of Insurance Agents, annual, La Fonda hotel, Santa Fe.

Oct. 23-25, Arizona Assn. of Insurance Agents, annual, Westward Ho hotel, Phoenix.

Oct. 23-25, Kansas Assn. of Insurance Agents, annual, Town House hotel, Kansas City, Kan.

Oct. 24-25, Tennessee Assn. of Insurance Agents, annual, Andrew Johnson hotel, Knoxville.

Oct. 25-26, Massachusetts Assn. of Insurance Agents, annual, Sheraton-Plaza, Boston.

Oct. 26, Connecticut Assn. of Insurance Agents, annual, Hotel Statler, Hartford.

Oct. 26-28, Insurance Accountants Assn., annual, Shoreham hotel, Washington, D. C.

Oct. 26-28, American Management Assn., insurance conference, Palmer House, Chicago.

Oct. 27-28, Nebraska Assn. of Insurance Agents, annual, Fontenelle hotel, Omaha.

Oct. 27-28, Pacific Fire Rating Bureau, annual, Camelback Inn, Phoenix.

Oct. 28-29, Colorado Insurers Assn., annual, Broadmoor hotel, Colorado Springs.

Oct. 30-Nov. 1, Missouri Assn. of Insurance Agents, annual, Muehlbach hotel, Kansas City.

Oct. 31, National Assn. of Mutual Casualty Insurance Companies, annual, Edgewater Beach hotel, Chicago.

Oct. 31, National Assn. of Automotive Mutual Companies, annual, Edgewater Beach hotel, Chicago.

Oct. 31-Nov. 2, National Assn. of Independent Insurers, annual, Sherman hotel, Chicago.

Oct. 31-Nov. 2, American Mutual Alliance, annual, Edgewater Beach hotel, Chicago.

Nov. 7, Fire Underwriters Assn. of the Mountain States, annual, Denver.

Nov. 14-16, Indiana Assn. of Insurance Agents, annual, Claypool hotel, Indianapolis.

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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Vending Machine Air Trip Policy Business Is Continuing to Show Steady Increase

An interesting but seldom publicized phase of the insurance business is the selling of airline trip policies, a multi-million dollar business built on quarters.

Statistics show that but one of every 400 persons who travel by train inter-city buys trip insurance, while one of every five traveling by commercial airlines buys a trip policy, and the number of persons flying is constantly growing.

The three major sellers of airline trip insurance are Associated Aviation Underwriters, Continental Casualty of Chicago and Mutual Benefit H&A, which sells its policies through machines owned by Tele-Trip Policy Co. of New York.

Tele-Trip was incorporated in 1949 and started selling airline trip policies in 1951. It originally sold policies of Employers group, an arrangement that was discontinued in 1953 when the latter joined U. S. Aviation Insurance group.

Tele-Trip then made an arrangement with Mutual Benefit H&A to handle its policies, a move that has proved successful as well as profitable for both companies.

Tele-Trip now has policy validating machines in 100 of the largest airports in this country and Canada and has installed or is planning the installation of booths in 31 airports. At the booth is stationed a woman who fills out the policies manually.

Fifty cents buys a \$12,500 principal death and disability accident policy, which covers insured during the ride to the airport, while boarding the plane, during the trip, alighting from the plane and until he arrives at his destination.

Previously, 25 cents bought a \$5,000 policy, with \$50,000 the limit in protection insured could buy. The same amount of money later bought a \$6,250 policy, but this amount can no longer be purchased as the minimum is \$12,500. The maximum that can be bought is now \$62,500.

In addition to insuring the life, limbs and eyes of a buyer the policy also provides for medical reimbursement for any one accident at the rate of \$50 for each \$1,000 of insurance bought.

Mutual Benefit H&A has had good experience with airline trip policies it has sold through Tele-Trip and its loss ratio has been low. However, it is under constant peril of a catastrophe and has to reserve against such an occurrence. Some of the trip business is reinsured through London Lloyds.

For example, if all of the 88 passengers of a DC-7 bought policies in the maximum amount and there was a catastrophe the insurer would have to pay out \$4.5 million, which repre-

sents a lot of quarters.

Tele-Trip machines are licensed in every state except Maine and in all provinces of Canada. A bill that would permit their operation in Maine is now awaiting legislative action.

At each airport at which it has machines Tele-Trip employs a person part time, one who either works for an airline or for the airport, to keep the machines stocked with policies and see that they are in good working order. Because of their design the machines seldom experience mechanical difficulties.

Each person who services a machine reports directly to the Mutual Benefit H&A state agent in the state in which the machine is located. The signature of the latter appears on all policies issued in his state.

The validating machine contains a supply of policies which can be taken out, examined and returned if the examiner decides not to buy one. There is some loss of the forms as the result of youngsters taking them for souvenirs and adults throwing them away rather than putting them back where they found them.

When the policy is validated by being stamped with a number and the amount of premium paid, the original part that was filled out by insured and a duplicate are removed and deposited in a box in the machine. The box is emptied twice a month and the original and duplicate are forwarded to Tele-Trip which processes them and sends them to Mutual Benefit H&A, which handles all claims that might result.

Tele-Trip monthly receives from Mutual Benefit H&A a percentage of the gross premiums handled through its machines or booths. It has more of the latter than anyone else in the airline trip business.

The machine stamps on the policy the amount of money inserted by insured rather than the amount of insurance bought as a schedule showing the amount of coverage given for each quarter spent, from 50 cents to \$2.50, is already on the policy.

At the same time the policy is stamped the machine issues a postage stamp so that all insured has to do is fold and seal the policy, put the stamp on it, address it to his beneficiary in the space provided and drop it into a mail box.

The validating machines are so constructed that they will not take slugs, and even with money inserted will not stamp anything other than the specific policy designed for their use. However, they do take a special \$1 token that can be purchased from some airport counters and newsstands at locations at which the machines have been placed. The tokens were

designed by Tele-Trip when it discovered that some persons experienced difficulty in obtaining quarters at airports.

The machines when first built represented an investment of \$4,000 each due to the cost of developing them, patents, etc., but now can be built at a cost of \$1,100 each.

John M. Shaheen, president of Tele-Trip, said that when the machines were first put into use there was resistance from some local agents, but that there is none now. He said those that opposed the machines soon realized that it wouldn't be profitable for them to sell insurance on the same basis as it was being sold through Tele-Trip.

He added that the machines have made more people realize the importance of insurance.

HOW TO MEET COMPETITION

Deliver Renewals, Talk to Insured

THE NATIONAL UNDERWRITER asked C. S. McNew Jr. of the McNew agency at Pine Bluff, Ark., to explain how the agency has been able to stop the loss of business and put on additional amounts and risks. He writes:

Like the majority of agencies over the nation we had become complacent. We did very little soliciting and mailed nearly all of our renewals. We were bogged down in detail, and very seldom contacted any of our small insured. When the mutuals and direct writers came into our town on a big scale, we found that because of renewal procedure we had to watch our automobile accounts very closely or we incurred an uncollectible premium since few customers realized the policy had to be returned for cancellation.

After several months of fighting our collections and issuing not wanted policies, we decided it would be just as easy to deliver the policy at renewal, and at that time check to see if the coverage was wanted, discussing and offering the various coverages and arranging for the payment of premium. If we didn't, we found the following month that it was not wanted at all. We learned that 90% of the people asked about the "cheaper insurance". But a large part of the business has been saved because we were able to explain the difference between mutual and direct writers and stock policies and local agents.

We also discovered that insured is very reluctant to return a policy once it had been delivered.

We found that when we devoted personal time and effort prior to expiration dates, it was not difficult to renew our business.

We also found that once lost it was difficult to recover.

Our agency is in a town of 40,000 population and our renewals policy writers are able to tell by the location and the name of insured if there is sufficient coverage. If not, the risk is given to a salesman to check before renewal. A great many renewals that are sufficient in coverage are also delivered, so that insured knows we have a personal interest in him and appreciate his business.

By delivering policies we are often in insured's home or office and are in a position to suggest additional amounts of coverage. Also, we have an opportunity to sell insured a definite plan of insurance for his personal property or business.

Often we are unable to secure any new or additional business, but do not feel we have wasted our time. By seeing the customer we have made him a little more friendly with our office and therefore protect the coverage we already have.

In our office we have a manager, adjuster and salesman. When we first began delivering automobile policies we all thought it would be impossible but have learned that we can deliver a large part of our renewals and so do a great deal of soliciting. We have also found there is a great satisfaction and pleasure in selling and that personal contact is the answer to mutual and direct selling.

Agency System Needs Young Men, Team Work

Ivan Steiner Jr. of the W. C. Myers & Co. agency at Wooster, O., writes the following comments on the editorial in the July 21 issue, entitled "In Defense of the Local Agent"

As a member of the agency system for nearly 20 years, I am aware of many of these shortcomings, alleged or real, which are charged against the agent.

Undoubtedly some of these charges cannot be denied. However, the agency forces, for the most part, have done a creditable job in the face of all the adversities the editorial describes.

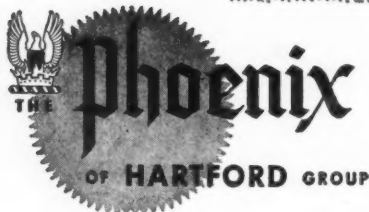
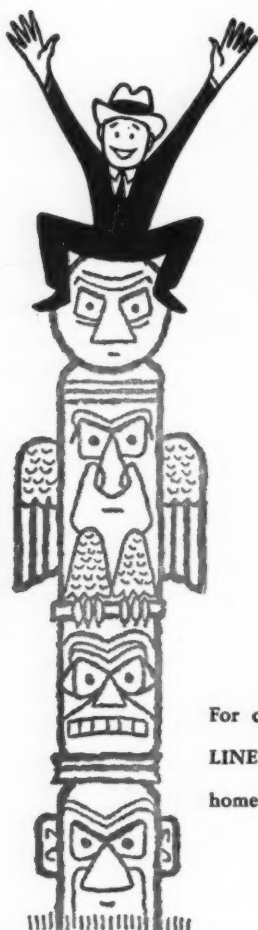
It seems to me the most severe indictments against the local agent are twofold. First, the older established agent, in many cases, has failed to arrange for new blood to enter his agency and thus prepare to perpetuate the agency system. Second, the local agent has failed to realize until very recently that his destiny is closely allied with that of the agency companies. The time for "old fashioned team work" is at hand and I hope this will be successfully achieved very soon.

Variation on Package Theme—'Basket' Policies

A successful midwest agent has renamed the package policies "basket" policies. He comments that the new basket policies are getting members of the agency out in contact with insured, to talk with them about the possibilities of better coverage, all in one contract. This, he says, is producing some very, very nice results.

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More Use Certified for Cancelling and Thus Save Expense

A move under way in Massachusetts for legislation that would make it possible for insurers to use certified mail rather than registered as is now required in the cancellation of policies for some reasons may result in similar action in other states.

A cancellation notice sent registered mail with a return receipt signed by the addresser costs 70 cents, while one sent certified mail asking for a return receipt costs 25 cents. A registered letter sent without a request for a return receipt from the addressee costs 50 cents, compared to 18 cents for a certified letter.

Some insurers which were heavy users of registered mail have already turned to the use of the newer certified mail when possible. However, most insurers use the so-called form 3817—notice of cancellation by ordinary mail with post office receipt—which costs only three cents above postage. Walter Meiss, U. S. manager of London Assurance, played a major role in having this form put into use.

When, for example, an insurer cancels a policy for non-payment, form 3817 is made out and taken to the post office with the letter containing the cancellation notice that is being sent out. The post office then postmarks the 3-cent stamp on the form and it goes back to the insurer for attachment to its copy of the cancellation notice.

Prior to the adoption of form 3817 when an insurer sent a cancellation notice to insured and did not use registered mail there was no proof that the letter had been sent and in some cases insured who suffered a loss after the cancellation had been sent out successfully contended he had not been notified his policy was no longer in effect.

However, the form 3817 provides proof that the letter was mailed and courts have taken the attitude that with mail service as it is today a letter mailed is one received. It is not possible to obtain a return receipt when using form 3817.

When it is used, the letter is delivered by the regular mailman, as is mail sent certified. Registered letters, though, are delivered by a special post office messenger, who often has to return to an address several times before he can find the addressee in and obtain a return receipt from him. The difference between the cost of certified and registered mail is due to the fact that the former requires no such special handling.

In addition to using registered mail where it is required in cancellation of certain policies, insurers have also used it when cancelling an undesirable risk. However, more are turning to the use of certified mail for this due to the lower cost.

Colo. Offers Revised Code

The insurance laws of Colorado, re-codified in 1953, will be reprinted and issued in a loose leaf binder to provide for insertion of supplements.

The department will offer the code with the 1954-1955 supplemental pages for \$5. Orders are being accepted for delivery in October.

Insurance Women of Monroe, La., have elected Mary L. McLaughlin, president; Hortense Propit, 1st vice-president; Mozelle Greer, 2nd vice-president; Florence Smith, corresponding secretary; Olive Miles, recording secretary; Majorie Ricks, treasurer, and Lorie Geuin, editor.

Senate Approves Bill for Amending Longshoremen's Act

WASHINGTON—A bill that would amend the longshoremen's and harbor workers compensation act to provide for increased benefits in case of disabling injuries has been passed by the Senate.

The maximum weekly compensation would be raised from \$35 to \$50 and minimum from \$12 to \$18; the waiting period would be cut from seven to three days, the period of protracted disability, which must elapse before the compensation of the waiting period may be paid, would be cut from 49 to 28 days; and the number of weeks of compensation payable for the specified losses of a hand, arm, leg, eye, finger, etc., would be increased to the same levels in the original longshoremen's act enacted in 1927.

In addition, the maximum weekly expense allowance for workers undergoing vocational rehabilitation would be increased from \$10 to \$25, and the uses of the special fund established under the act would be enlarged. This fund consists of payments collected from insurers and self-insurers in death cases in which there are no dependents entitled to benefits. The fund would be used to procure rehabilitation services for injured employees where in exceptional cases they are not available through existing facilities and to provide compensation for those cases in which collection of benefits from the employer has failed by reason of insolvency or other condition precluding collection.

Agents Meet Aug. 14-17

An address by William F. Tompkins, assistant U. S. attorney general who heads the internal security division, will be one of the highlights of the convention of West Virginia Assn. of Insurance Agents at White Sulphur Springs, Aug. 14-17.

Approximately 250 agents are scheduled to attend the meeting which will include addresses by insurance industry leaders. Commissioner Gillooly will head a panel discussion by deputy commissioners.

Service Guide

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Block Puts Pressure on Traditional Lines

(CONTINUED FROM PAGE 1)

and are being written. These policies are referred to in the trade as "the seven sins." They are written for dealers in household appliances, office machinery and supplies, heating and air conditioning equipment, industrial machinery and tools, sporting goods, professional and scientific instruments, and marine supplies.

The seven were turned down for inland marine classification by the committee on interpretation, in bulletin No. 49. However, Kentucky, Vermont and Florida insurance departments approved all seven anyway, and New Jersey approved five of the seven. New Jersey turned down household appliances and office machinery. It is understood that Illinois has okayed North America's independent filing of the seven.

Faced with this reality, Inland Marine Insurance Bureau proceeded to file the seven forms. Florida has approved all seven for IMIB. IMIB has filed or is planning to file in Kentucky, Vermont and New Jersey, and, presumably, would take similar action elsewhere if other states approve the forms.

Underwriters are inclined to believe that use of these dealer floaters will spread to other states and that developments to date harbingers eventual extension of such treatment to other kinds of risks.

The forms being worked out by IMIB are broader than those the same rating bureau developed for camera and instrument dealers floaters. The latter insure "stock in trade." The new IMIB forms cover "personal property usual to the business of insured," which definitely includes improvements and betterments and furniture and fixtures and could include the cost of reproducing ledgers, etc.

The amount of business represented countrywide by these seven forms is considerable. The forms are rated on application to IMIB—each risk must be submitted. This is true also of camera and musical dealers, and since the first of the year there have been 300 of those two classes of risks rated by IMIB, which indicates the extent of the business.

Insurers which, in connection with block policy, follow the advice of Chesterfield on style, not to be the first nor the last to use a new thing, have brought out block and floater deals in order to compete. However, such companies are not extinguishing the old lines of fire rating. With multiple location coverage and treatment they combine marine features but the marine, fire, etc. are coded as in the past.

But an increasing number of companies are writing block policies at a flat, indivisible premium. Such insurers may assign, on a formula split, 75 to 80% of the premium to fire and EC and the remainder to marine, in order to preserve the authenticity of traditional statistics.

The manufacturers output is much involved in the general situation. Recently a quite large line was picked up in competition by an output or something similar. Factory Insurance Assn. had the fire and EC, several million dollars worth, on stuff in process, and other insurers wrote the floater risks. All of this was picked up in the one form.

It is interesting to note that factory mutuals have subscribed to Empiro

and there is talk that FIA will join that organization, in the interest, presumably, of the output forms.

Of those in the business traditionally representing the various lines in the commercial floater, or block, insurance, each has a stake in the outcome of the current struggle. Each is interested, naturally, in preserving his area. More than that, each is concerned that those new to the inland marine, or the fire, or the casualty portions of block business may not possess the seasoned judgment of long experience in a line which is essential to avoid painful, even serious consequences in the underwriting ratio.

The old schism in the business over the indivisible premium has cropped up in deliberation over the block development but this may be welded in the urgency of the present tussle.

Also, there is some optimism that the business can, in the major part, hit upon a common approach here. In dealing with the block, many in the business have recognized the real need of a central instrument in fire and casualty for tackling such problems as, with multiple peril, have their roots in several lines of major insurance. It

is recognized that an instrumentality which could consistently furnish real analysis of company needs in policy forms, rates, etc., would enable the so-called conference companies to achieve something more than a defensive position. Many feel such companies too often wait for others to carry the fight to them. Here, as in other experiences, companies have seen that it is tougher to make policy than it is to make policies.

This hunger for premiums continues to express itself. Insurers are out to put more business on the books. Price is being hammered down, commissions up, with underwriting, according to the soberer heads, suffering. Entry of casualty companies into fire and inland marine has added to this particular competition, and vice versa has added to the fracturing of available casualty dollars.

However, key underwriters believe that whatever the title of block business, however it is coded—fire, EC, inland marine, casualty, etc., the big thing is to hold the business and do it so the company doesn't get hurt. Probably it is true, as the seasoned underwriters say, there is more to

insurance than price, and those who handle the business expertly will win in the long run.

Claims Payment 'Drive-In' Opened by Farm Bureau

Ohio Farm Bureau Mutual Auto has opened a "drive-in" station at Akron, O., for settling insurance claims immediately after accidents.

A company engineer estimates damage to the car and a check is written before the claimant takes his car to a garage for repairs.

The company said the drive-in system has cut processing time from 24 hours to 20 minutes. It plans to set up the drive-ins throughout its system.

Study Shows Heart Disease and Cancer Comparisons

A study of benefits paid to 850,000 policyholders of Mutual Benefit H.A. showed that 5.38% of all men disabled suffered from heart diseases as compared to only 2.86% of all women disabled.

The study also showed that 22% of the women covered in the survey were disabled for cancer as compared to 19% of the men.

Announcement

The Exchange Insurance Company announces a change in name to . . .



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This change has been made to avoid confusion between our company and other carriers of similar names and will not affect existing policies or agency contracts.

Quota Share insurance effected with leading American insurance companies.

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Financial Statement as of June 30, 1955

ASSETS		LIABILITIES	
Cash in Banks	\$ 343,541.30	Reserve Loss and Adj. Exp.	\$ 272,356.31
U. S. Government Bonds	443,374.06	Reserve for Taxes, Licenses	2,750.85
Municipal Bonds	50,377.66	Reserve for Unearned Premiums	168,474.89
Stocks	257,361.01	Reserve for Reinsurance Funds	164,243.03
Premiums Receivable	38,402.09	Reserve for Accrued Expenses	19,141.36
Interest Due and Accrued	931.23	Total Liabilities	\$ 626,966.44
Due from Reinsurance	8,373.36	Capital Paid Up	300,000.00
Total Admitted Assets	<u>\$1,142,360.71</u>	Unassigned Funds (Surplus)	215,394.27
		Total Liabilities and Surplus	<u>\$1,142,360.71</u>

Securities carried at \$193,166.23 in the above Statement are on deposit with Illinois Insurance Dept.

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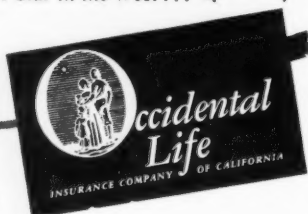
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Insured Loss from N. J. Plastics Plant Fire Is \$150,000

A fire in Thermacote Manufacturing Co., Newark, N. J., plastic plant, will cost insurers at least \$150,000. Hartford Fire has coverage of \$125,000 on the machinery and a \$100,000 reporting form on the stock.

The building line was spread among Aetna Fire, Home, Kansas City F. & M. Scottish Union and the New England. The building loss was estimated at \$50,000.

Ohio Commission to Study Status of WC Self-Insurer

Ohio Industrial Commission has begun a review of a workmen's compensation claim after a recommendation by Supreme Court Judge James F. Bell that the self-insurer status of Goodyear Tire & Rubber Co., Akron, be revoked because of the way it handled the case.

"If the facts in the petition are true," Judge Bell said, "the commission should and probably will revoke the defendant's status as a self-insurer."

The state supreme court upheld lower courts which ruled that a Goodyear employee, Paul Greenwalt, had no recourse even though the company failed to file his injury claim with the commission.

Mr. Greenwalt sued the company for \$10,000 claiming he was injured in 1944 at the Goodyear plant and was told the company would handle the filing of the claim with the commission. He later sought workmen's compensation for total and permanent disability but discovered the company had not filed the claim. The court held that an injured worker has no recourse for damages if the claim is not filed within the time prescribed.

Friel Agency Honored on 50th Anniversary

Security of Connecticut gave a dinner for J. B. Friel agency of Waterville, Me., honoring its representation of the company for 50 years. Secretary David T. Condon presented a plaque signed by the president and directors of the company to Paul J. Jullien, Friel agency president.

Mr. Jullien and Ralph W. Hawkes Jr., agency vice-president, also received personal gifts. Representing the company at the affair was State Agent Kenneth J. Huelin.

Introduction in Mass. of Package Policies Seen Being Delayed

Introduction of multiple peril package policies in Massachusetts has developed a hitch and most companies are not expected to put them into use until after Labor Day.

No filings can be accepted in Massachusetts until the effective date of the new law permitting indivisible rates for such policies, which is Aug. 25 according to the insurance department and Aug. 24 according to some insurance lawyers. The one-day discrepancy is due to a difference of opinion on when to start counting the 90 days from the date the governor signed the legislation.

However, because the Massachusetts package policy filings appear to require some changes from the forms used in other states most insurers are not expected to introduce them until after Labor Day rather than on the effective date.

Multiple Peril Insurance Rating Organization plans to file homeowners policies A, B and C with an effective date of Sept. 7. New England Fire Insurance Rating Organization will file the dwelling building special form and the dwelling building and contents broad form in Massachusetts. Plans to distribute these forms in July for September renewals had to be changed when the forms had to be revised to meet the state's requirements.

Sues to Recover Fire Loss Caused by Gas Tank Leak

ST. PAUL, MINN.—Insurance companies are following closely a suit on trial at Springfield, Minn., in which International Harvester Co. is being sued to recover for losses which the plaintiffs claim were caused by gasoline leaking from a company tractor. The fire destroyed five buildings and damaged several others.

Two Me. Mutuals Merge

Patrons Androscoggin Mutual and State Mutual Fire, Maine Mutuals, have affiliated. At the end of 1954 Patrons had assets of \$370,668. Premiums written during the year totaled \$302,242. State Mutual's assets totaled \$56,593 at year end. It wrote \$102,254 in premiums in 1954.

Ill. Mutual Casualty Enters Neb.

Illinois Mutual Casualty has been licensed in its 12th state, Nebraska.

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SAxatoga 7-3500

NEW YORK, 5
27 WILLIAM ST.
HAxover 2-4380

S. C. Auto PHD Cut Will Save Insured \$2,330,000 Yearly

South Carolina has approved revisions in rates and rules filed by National Automobile Underwriters Assn. that will result in an estimated annual saving to policyholders of \$2,330,000. The changes are effective Aug. 8.

In the Anderson, Charleston, Columbia, Florence, Greenville and Spartanburg territories private passenger comprehensive rates are reduced about 18% while in the Sumter territory they have been increased about 10%. In the balance of the state present rate and premium levels continue in effect. Private passenger \$50 deductible collision premiums are reduced approximately 20%, varying by individual rating territories from 12% to 24%. The \$100 deductible private passenger collision premium revenue for the state as a whole has been reduced approximately 23%, varying from 15% to 26% in some territories.

In addition, collision rates for family private passenger automobile risks which involve young women operators under 25 years of age but with no men operators under 25, are reduced 13% where the woman operator under 25 is neither the owner nor the principal operator.

The revised rules include a 10% reduction in private passenger collision premiums for risks where the driver under 25 has successfully completed a driver education course.

Commercial local hauling fire, theft and comprehensive rates are reduced approximately 9% and commercial local hauling collision rates are reduced about 15%, while commercial intermediate and long distance hauling fire, theft and comprehensive and collision premiums are unchanged.

Continental Casualty Suing in Theft Case

Continental Casualty has brought suit in common pleas court in Philadelphia against five men from that city for their part in a \$17,500 robbery of the city's branch tax office on March 21, 1950, for which the company had to reimburse the city.

Defendants are Joseph A. Napoli, cashier in the tax office at the time of the holdup, Quinton Carpinelli, James Tonuci, Albert Torrelli, and Vincent Girolami. All are in prison except Girolami, who won immunity in return for a confession implicating the others. The suit also names Napoli individually. The company carried a bond on him.

Points Up Need for Selling by Agents

Ray W. Kapp, Ohio state agent of Phoenix-Connecticut group, comments on a recent editorial in THE NATIONAL UNDERWRITER and encloses an advertisement on the subject:

Once again I have an opportunity to express my sincere agreement with the value, the timeliness and the importance of the message in your "Selling Emerges as Key Weapon in Competitive Fray."

The need of attention, time and effort to selling and to sales training is brought to the forefront in all insurance marketing surveys. Field experience, if interpreted correctly, would indicate a further need for more selling and production manpower in the agency ranks.

Our competitors are increasing their sales force as is witnessed by this advertisement headlined "here's an opportunity to get into the insurance

business" which goes on to read "Farm Bureau, one of the largest insurance companies, is expanding nationally, and offers you these advantages now:

"You can build your own business in your own locality. You can earn while you learn—full training program in auto, life, fire. You can keep your present job until you're fully established. Let us tell you about our excellent earning and advancement opportunities."

The H. Grady Turner & Son agency, Columbia, S. C., has moved its office to 904 Barringer building there.

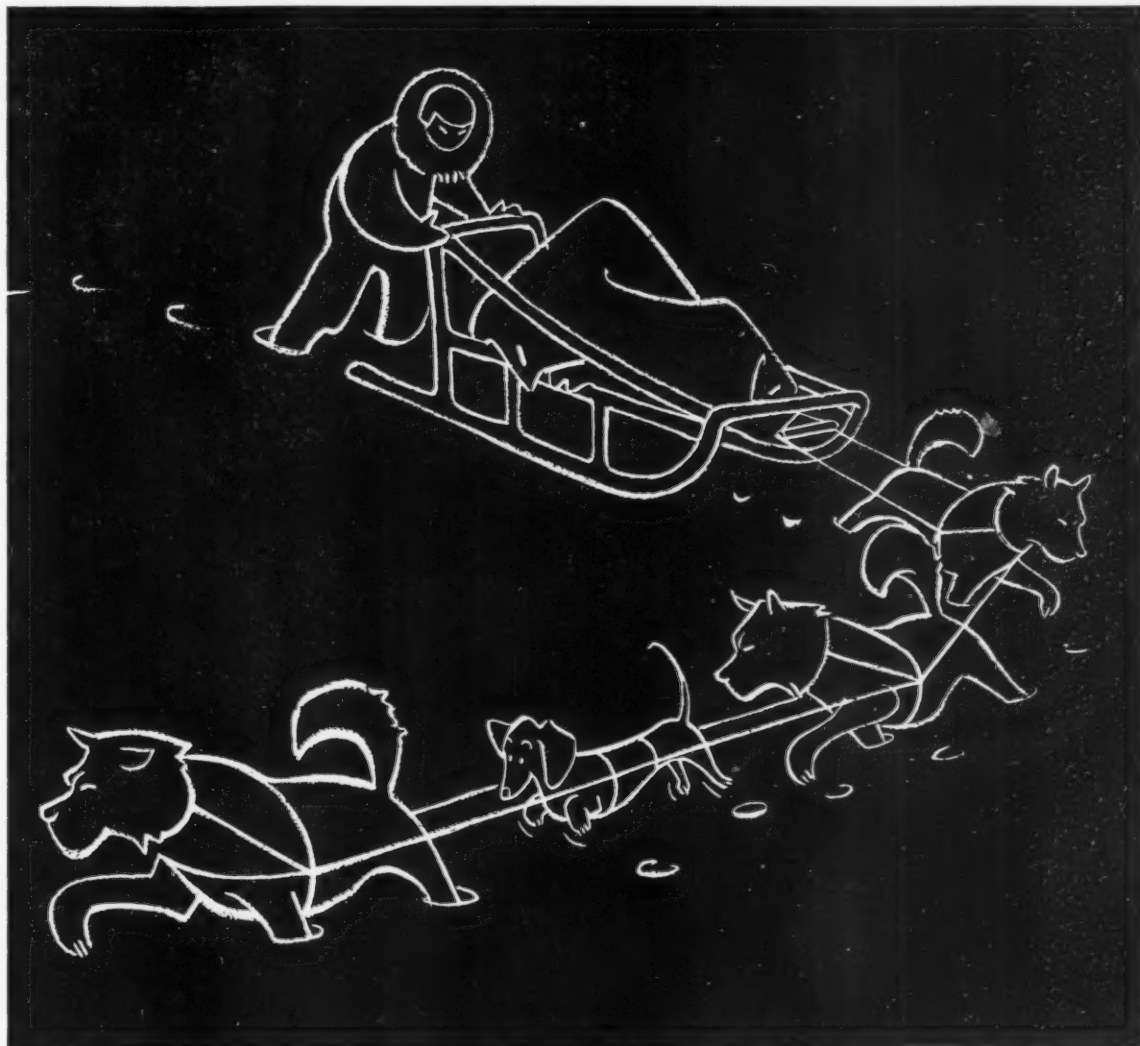
Fischer in Charge at Albany for Security

Franklin R. Fischer has been appointed special agent in charge of the Albany office of Security-Connecticut companies for all lines. He started in insurance with Aetna Casualty as a special agent in Harrisburg, Pa. After a year he transferred to Albany. He was three years with the C. L. Clements agency in Miami. Lately he has been traveling eastern New York as a special agent of Phoenix of London group. He will be in full charge of production for all classes.

Travelers TV Hearing Scheduled for September

WASHINGTON—The contested application of Travelers for a TV broadcasting station license in the Hartford area will be orally argued before federal communications commission after Labor Day.

Parties in interest have filed exceptions and supporting briefs, Travelers, Hartford Telecasting Co., which charged a "monopoly" by Travelers in the Hartford area, and FCC broadcast bureau, which disagreed with some of Examiner Litvin's findings in the case.



Somebody came out on the short end!

They pulled a fast one on Papa Igloo. Somebody replaced his husky with an unhusky substitute.

Don't let anybody pull one on you.

When your policyholder has a broken car window replaced, tell him to make sure he gets the same brand and quality of safety glass that's in his other windows, *not* a substitute. (For example: Safety Plate Glass should not be replaced with safety sheet glass.)

P.S. Send for a supply of handy forms glass replacement orders. Ask for SG-40. Dept. 5985, Libbey-Owens-Ford Glass Company, 608 Madison Avenue, Toledo 3, Ohio.

For further information call your independent L-O-F Distributor or Dealer (listed under "Glass" in phone book).



LIBBEY-OWENS-FORD a Great Name in Glass

EDITORIAL COMMENT

Insurance Appears in Good Company

In a recent review of tax legislation in several states, insurance repeatedly was listed with whisky, beer and wine, hotels and motels, cigarets and cigars, income, sales, etc. We were indignant. This vulgar juxtaposition reminded us of the time in the second world war when a governmental agency, in establishing priorities, classified insurance next to artificial flowers about 27th in a list of businesses numbered according to their importance.

However, on second thought, what better company could insurance be in? For the purposes of this editorial, reserving judgment on the evil effects of excessive use of alcohol, putting aside for the moment the argument of cancer and cigarets and cigars, and hold-

ing in abeyance for this long the fact that motels can be used for sin as well as for sleep, the company in which insurance finds itself in tax legislation is a pleasant, even a merry one.

For example, who is not delighted to have income? Who doesn't want to make sales? Whisky, wine and beer can be and for the most part are associated with pleasant, social occasions, and tobacco is the poor man's solace and the lonely man's companion. Hotels and motels are a great convenience, being much better than tents to shelter in, and have been for most persons the scene of pleasant occasions.

Thus insurance is included, as perhaps it should be, with other pleasant, desirable and necessary things.

Standard, Substandard or Superstandard

An advertising copywriter recently commented that the term "standard protection" which is used in National Board's seal to describe the product stock fire insurers offer, is not a very motivating term for those the companies would like to have buy the product. This is not a new criticism, and it has been made of other words highly regarded in the insurance business.

"Standard" tallies with the term attached to the fire policy in use in most states.

The copywriter's criticism, contrasted with the pride of the fire business in the phrase "standard protection," points up the fact that insurance is not a product in the ordinary sense of the term that it cannot be merchandised altogether in the same manner in which tangibles can be merchandised, and, especially, that it cannot be sold by adjectival frenzy and by fast talking pitchmen—without suffering some loss of quality in consequence.

This is not the case with the tangible, which has its elements built in and which is at the time of sale ready for delivery pretty much in toto. With a tangible, the merchandiser makes his spiel, the customer gets up his money, and the transaction is completed. With good merchandisers there is a continuing response for defective or unsatisfactory merchandise. But the buyer of an insurance contract may not for a long time ask for delivery of what the words promise to do for him. Thus, he has to buy character.

In the field of character, standard is of the utmost consequence. Any insurer can promise, or its agent can promise for it, a lot of things that the policy will not deliver. In most cases the insurance contract does not

come into operation because of a loss or claim, so that the lack of standard, the substandard quality, of the contract is never tested and therefore is never apparent. Of course, eventually this sort of promise returns to haunt the insurer or the agent.

But in an age of adjectives, highly selected, over-polished and beautifully displayed; in an era of semantics—the science of word meaning and use; in a time of public relations, which could be described as the practice of disseminating favorable words and facts and concealing those of opposite character, and in the day of word merchants and hucksters—it is refreshing to have a business that sticks to plain words, words that do not overstate and often understate the merit of what their authors deliver.

Yet unquestionably the fire and casualty insurance business is behind the procession in stating its case and describing what it sells in favorable and convincing terms. The business is further behind than it should be if it is to keep growing with the economy on which and for which it lives. There is such a thing as grossly understating the value of the product. Names of policies can be more descriptive and therefore more salable.

The copywriter mentioned package and blanket coverages and asked, "Who wants a package or a blanket when he is buying insurance?" Even the overworked "comprehensive" is better, though its use here is barred by the fact that it has become pretty much a word of art applicable to automobile PHD and personal liability.

And it is true that the thing can be carried too far, as it has been in the A&H business, where so many variations of coverage are given special,

high sounding names, such as "commander," "invincible," etc. Many of these names mean nothing, they are not related to the product, they are not indigenous to the coverage, and they give no idea of what is in the contract. They simply overstate the coverage in a large, vague way.

However, the criticisms of the advertising copywriter are not unjustified. The insurance business, including the conservative stock fire insurers, have a job of selling to do, almost a responsibility to sell. If their product is as good as they believe it is and try to make it, they are obligated to distribute it with skill and vigor.

DEATHS

EARNEST E. SHANNON, 81, retired Louisville, Ky., banker and insurance agent, and former Kentucky state treasurer, legislator and state auditor, died at Cincinnati Sanatorium, which he entered two days prior to his death. He was state auditor from 1935 to 1939 and at that time the state auditor named the insurance commissioner and supervised the insurance department. He became Kentucky state purchasing agent when that office was created in 1924. He was also past president of the First National Bank of Louisville, at one time deputy sheriff under his late father, James W. Shannon, and was for 20 years in the hardware, furniture and funeral home business.

MRS. BERYL V. ANDERSON, 65, vice-president of the Anderson-Hopkins agency at St. Joseph, Mo., died of a heart attack at Hermosa Beach, Cal. She had been active in the agency since its incorporation in 1916. Her husband, Leo V. Anderson, is president of the agency.

ALBERT R. PANKOW, 76, with Armstrong-Roth-Cady agency of Buffalo since 1923, died there. He served the agency in the fidelity and surety department and as manager.

KENNETH W. FAUNCE, 64, a partner in John C. Paige & Co., Boston general agency, died there. He was with Eastern Underwriters Inspection Bureau before joining the agency in 1915. Mr. Faunce was chairman of the conference committee of New England Advisory Board, New England representative on the conference committee of Eastern Underwriters Assn. and a director of Massachusetts Assn. of Insurance Agents.

M. L. BURG, partner in the Covert agency at Billings, Mont., died there. He was a former state agent for Phoenix of Hartford at Denver and a member of the advisory subcommittee of NAIA educational committee.

MONROE FLEGENHEIMER, 64, New York City insurance broker, died at his home there. He had been an in-

surance and real estate broker for 43 years, was proprietor of the Flegenheimer Insurance School of New York and formerly supervised insurance courses at City College. Mr. Flegenheimer served as a state assemblyman in 1949 and 1950. His son, Arnold, of Roslyn, L. I., is an excess lines broker.

STUART A. BISHOP, 62, local agent at Indianapolis, died in Memorial Hospital at Rockford, Ill., from injuries suffered in a fall two months ago at his home in Sycamore, Ill. He was manager at Indianapolis for Travelers from 1923 to 1951 when he opened his own agency.



Oscar R. Ball

O. R. BALL, president of O. R. Ball, Inc., adjusters at Cleveland, died there. He organized his own adjustment firm in 1943 after more than 18 years with Western Adjustment and Inspection at St. Louis and Cleveland.

ERNEST P. MAUK, 59, field manager for American at Houston, died there in Methodist Hospital of a heart ailment. He joined American at Dallas 25 years ago and had been in insurance for more than 40 years in Kentucky, Alabama and Texas.

MRS. M. K. NANGLE, 59, wife of John J. Nangle, president of Utilities Ins. Co. of St. Louis and former Democratic national committeeman from Missouri, was fatally injured in a head-on automobile collision on U. S. Highway 66, four miles west of Cuba, Mo., about 75 miles southeast of St. Louis.

PHILIP STOCKE, 74, partner in the Anderson, Stocke & Buermann Realty Co., real estate and insurance agency at St. Louis, for 20 years died at Jewish Hospital there after an illness of three weeks. His father, the late Jacob Stocke, was one of the three men who started the old Commission Row in St. Louis in the 1890's.

IRVAN J. EVRARD, 54, who operated the J. Evrard insurance agency at Tell City, Ind., died there at his home of a heart attack. He was a past president of Tell City Chamber of Commerce.

J. BRUCE CRATER, 55, a director and secretary of Atlantic Fire of Raleigh, N. C., and manager of Phoenix of Hartford group in North and South Carolina, died in Raleigh. He had been with the group from 1927.

LOUIS A. ROSE, chairman of the Rose-Tillmann metropolitan supervising agency at Chicago, died at age 82 in Hollywood, Fla. He became ill while on vacation in Florida last year and

THE NATIONAL UNDERWRITER

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99 John St., New York 38, N. Y.

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Assistant Editors: Edward F. Cox, John B. Lawrence, Jr. and Eloise West.

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Telephone Wabash 2-2704.
Advertising Manager: Raymond J. O'Brien.
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420 E. Fourth St., Cincinnati 2, Ohio.
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Louis H. Martin, Vice-President.
Joseph H. Head, Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
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PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 514 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.



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remained there until his death.

Born in Memphis, Mr. Rose went to Cincinnati as a young man to join the Simon Sturm agency. Mr. Sturm, a son-in-law of L. A. Rose's father, was started in the business in Memphis by the elder Mr. Rose, who was one of the early settlers there, having established himself in Memphis in 1846.

L. A. Rose went to Chicago in 1894 to work for William E. Rollo & Son and later transferred his activities to Adolph Loeb & Son. Mr. Loeb was also a former member of the Sturm firm in Memphis. In 1902 Mr. Rose went into business for himself as a broker and in 1908 formed an agency with Arthur S. Nathan. When Mr. Nathan retired in 1927, the firm became L. A. Rose & Co. This later became the Rose-Tillmann organization.

PERSONALS

John J. O'Toole, vice-president and secretary, F. D. Hirschberg & Co., general insurance agency, and his wife and daughter have returned to St. Louis from a recent tour of Europe which included visits to Dublin, London, Paris, Berlin, Rome and Venice. While abroad, Mr. O'Toole, who formerly headed the fire prevention committee of National Assn. of Insurance Agents, gathered data about fire prevention activities and fire departments in the cities that he visited. Mr. O'Toole is a former president of both the Insurance Board of St. Louis and Missouri Assn. of Insurance Agents.

B. G. Gregory, manager of Insurance Board of St. Louis and former executive secretary of Missouri Assn. of Insurance Agents, has recovered from a recent illness to the extent that he is now able to spend a couple hours at his office daily.

Kenneth J. Bidwell, who is being elevated to U.S. manager of London Assurance and president of Manhattan F.&M. on the retirement, Sept. 30, of Walter Meiss, present U.S. manager, has been with London Assurance since 1938. He joined the company as inland marine manager of Manhattan F.&M. became assistant secretary in charge of automobile and inland marine in 1942 and was named assistant U.S. manager of London Assurance and vice-president of Manhattan F.&M. in 1950. Previously he was with Reliance Marine at Liverpool, England, from 1922 to 1929 and with British & Foreign Marine in New York City from 1929 to 1937.

Among the 27 business and civic leaders named to the Illinois host committee for the 47th annual governors conference being held in Chicago are **James S. Kemper**, chairman of the Kemper group and former ambassador to Brazil, and **Roy Tuchbreiter**, president of Continental Casualty.

William R. Dunham, vice-president, Mercantile Insurance agency at St. Louis, narrowly escaped serious injuries recently when a motorist cut a

(CONTINUED ON PAGE 27)

Mr. Producer . . .

Want to be out in front--ahead of all competition in the field of Non-Cancellable Accident and Sickness Insurance?

Here's How . . .

Sell Provident's

10-12 PLAN

We'll send full information as soon as we receive your request.



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PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

Chattanooga—Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

Homer B. Ray Service, Inc.



NATION WIDE COVERAGE

The name is new—The facility, since 1949 has operated under the name of UNIVERSAL INSURANCE UNDERWRITERS. We are not direct writers and to assist the Agents and Brokers, we have increased the number of American Stock Companies, participating on a quota share basis and affording combined assets in excess of \$150,000,000.00. In addition, we enjoy Lloyd's, London resources for automatic participation as well as excess.

LIMITS TO \$1,000,000.00 SINGLE LIMIT IN OUR POLICY FILINGS—48 STATES AND I. C. C.

As managing underwriters with complete underwriting and claim authority we underwrite on the individual risk basis to afford necessary coverages at proper rates.

"WE SUGGEST YOU TRY OUR FACILITY—YOUR COMPETITOR DOES"

Butane
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THE WORLD

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IMIB Gives Detailed Tabulation of Inland Marine Experience for 1954

The accompanying tables are reproductions of inland marine premiums and loss statistics in 1954 as compiled by Inland Marine Insurance Bureau for its members and subscribers, for non-member stock companies and for members of Transportation Insurance Rating Bureau, the mutual organization.

All premium figures are direct premiums written less return premiums and all reinsurance premiums are ex-

cluded. Losses represent direct losses paid less salvage and the loss ratios, except where otherwise indicated, are the ratio of direct losses paid to direct premiums written. Other tables are on page 25.

CLASS	Written Premiums	Paid Losses	Ratio Losses Paid to Premiums Written	CLASS	Written Premiums	Paid Losses	Ratio Losses Paid to Premiums Written
RATE FILING REQUIREMENTS APPLICABLE							
ACCOUNTS RECEIVABLE POLICIES	796,285	45,946	5.77	Balance of Continental United States & Hawaii	46,633	279,209	59.36
RECYCLE FLOATER	69,499	32,202	46.33	Total Deductible Coverage	759,997	347,217	45.97
BRIDGES & TUNNELS				PARCEL POST	476,523	501,498	105.25
Property Damage	1,777,049	442,774	24.92	Coupon Form	5,983,561	2,954,409	49.36
Use & Occupancy	375,122	106,491	28.39	Open Form			
CAMERA & SOUND EQUIPMENT (EXCLUDING DEALERS)				PERSONAL EFFECTS	2,617,934	1,187,159	45.35
Private Home	2,300,473	1,019,474	44.32	PERSONAL FURS			
Commercial Other Than Motion Picture Producers				Minimum Premium Policies	1,902,475	357,708	18.80
Motion Picture Producers	453,928	224,275	49.41	5,000 & Under	10,667,805	5,616,719	52.66
Motion Picture Producers	110,469	60,670	54.73	10,001 to 50,000	668,611	381,507	56.92
CAMERA DEALERS (EXCLUDING POLICIES ON REPORTING FORM)				50,001 to 100,000	45,051	28,861	64.06
Reporting Form	192,933	40,382	20.93	100,001 & Over	30,065	17,881	59.48
Details Not Furnished	28,867	22,599	77.11	Details Not Furnished	600,000	288,065	48.01
COMPREHENSIVE DWELLING POLICY (GROUP D)				Total Personal Furs	13,944,771	6,471,943	46.41
Cotton (HAYERS TRUST FORM)				PERSONAL JEWELRY			
Excluding Cinnam. Endorsement	594,359	857,903	144.44	Full Coverage	26,457,068	10,292,271	39.28
Cinnam. Endorsement	160,248	68,538	42.77	5,000 & Under	4,001 to 10,000	2,647,305	67.26
EQUIPMENT DEALERS FLOATER				10,001 to 20,000	1,358,758	9,096,000	66.98
Excluding Coverage on Incidental Stock Coverage on Incidental Stock	1,088,528	237,256	21.80	20,001 to 50,000	1,137,236	517,262	45.50
Details Not Furnished	660,970	176,017	26.63	50,001 & Over	609,662	301,600	49.46
FILES & NEGATIVES	512,425	39,527	7.71	Total Full Coverage	30,000,000	13,711,096	45.69
FINE ARTS - PRIVATE COLLECTIONS	1,824,692	809,834	44.38	\$50 Deductible Coverage	553,967	220,948	39.89
FIRST CLASS MAIL				PERSONAL PROPERTY FLOATER			
Form A	577,365	27,937	4.84	Blanket Portion - Full Coverage			
Form B	50,655	61,885	122.16	5,000 & Under	1,356,268	748,021	55.19
Form C	50,655	409	0.81	5,001 to 10,000	1,356,268	1,356,268	100.00
Details Not Furnished	284			10,001 to 20,000	1,356,268	1,356,268	100.00
Total	693,172	90,031	12.99	20,001 & Over	1,356,268	1,356,268	100.00
FLOOR PLAN POLICIES	261,596	69,643	26.62	Total Full Coverage	6,377,127	4,354,010	68.28
FURNISHES CUSTOMERS				Blanket Portion - Deductible			
Custody Rider	2,285,323	836,527	36.60	15 & 25 - 5,000 & Under	1,775,423	1,775,423	100.00
Legal Lib. Endor. Detail	44,906	107,078	238.45	15 & 25 - 5,001 to 10,000	1,775,423	1,775,423	100.00
Legal Lib. Endor. Wholesale	38,597	18,597	48.18	15 & 25 - 10,001 to 20,000	1,775,423	1,775,423	100.00
All Other Including Certification	1,024,908	535,597	52.26	15 & 25 - 20,001 & Over	1,775,423	1,775,423	100.00
GARMENT CONTRACTORS				50 - 5,000 & Under	1,775,423	1,775,423	100.00
Women's Wear - Cloaks, Suits & Dresses	2,200,532	1,154,648	52.47	50 - 5,001 to 10,000	1,775,423	1,775,423	100.00
Men's & Boys' Wear	714,756	201,638	28.35	50 - 10,001 to 20,000	1,775,423	1,775,423	100.00
Other Wearing Apparel	1,470,271	589,377	40.08	50 - 20,001 & Over	1,775,423	1,775,423	100.00
GOLFERS EQUIPMENT FLOATERS	141,128	71,320	50.54	Total Deductible Coverage	43,769,899	28,099,295	64.41
HORSE & WAGON	177,117	111,510	62.96	Misc. Scheduled Property Other Than Jewelry, Furs & Fine Arts	236,991	129,295	54.54
JEWELERS STOCK				Outdoor Radio & Television Towers & Antennas Specifically Insured at a Separate Premium Charge	35,739	720	2.01
Loose Diamonds				PHYSICIANS & SURGEONS EQUIPMENT	817,647	89,013	10.89
Average Inventories Less Than \$200,000 - Full Coverage	206,563	92,724	44.89	RADIO	53,940	15,867	29.42
Average Inventories Over \$200,000 - Full Coverage	126,630	67,805	53.55	REGISTERED MAIL	1,528,747	31,977	2.09
Policies Subject to a Deductible	46,326	161	.35	ROLLING STOCK RAILROAD			
Wholesalers, Etc.				Yard Switching Locomotives	277,126	105,855	38.16
Average Inventories Less Than \$200,000 - Full Coverage	888,940	576,870	64.87	Passenger & Freight Locomotives - Not Used With Streamliners	1,227,836	507,411	41.33
Average Inventories Over \$200,000 - Full Coverage	473,045	283,668	59.97	Passenger Locomotives - Used With Streamliners	118,014	271,529	230.08
Policies Subject to \$ 500 Deductible	3,729	10	.27	Passenger Equipment - Excluding Power Units	203,323	276,660	136.16
Policies Subject to \$1,000 Deductible	36,761	16,534	44.98	Short Haul Locomotives	116,427	269,321	231.27
Policies Subject to \$2,500 Deductible	6,768	7	.10	Stock Cars	179,057	281,085	156.99
Policies Subject to \$5,000 Deductible	4,639	7	.10	Miscellaneous	4,535,999	1,723,141	38.21
Retailers & Pawnbrokers				Total Rolling Stock	6,377,127	4,354,010	68.28
Average Inventories Less Than \$200,000 - Full Coverage	2,730,881	1,230,002	45.04	SILVERWARE FLOATERS	319,809	28,270	8.84
Average Inventories Over \$200,000 - Full Coverage	340,471	171,542	50.38	STAMP & COIN COLLECTIONS	245,105	70,823	28.72
Policies Subject to \$ 500 Deductible	37,539	17,729	47.23	THEATRICAL FLOATERS	143,567	95,433	66.47
Policies Subject to \$1,000 Deductible	6,529	260	3.98	TOKEN HODGEE	245,105	112,938	46.06
Policies Subject to \$2,500 Deductible	1,200	10	.83	VALUABLE PAPERS INSURANCE	533,329	76,770	14.39
Policies Subject to \$5,000 Deductible	7,609	771	10.13	WRITING PRESENTS	173,022	18,661	10.77
Total Jewelers Stock	4,918,575	2,457,890	49.56	WINTER MAJOR LIVESTOCK			
LIVESTOCK FLOATERS				A. Colorado, Kansas, Nebraska, New Mexico & Oklahoma	13,209	1,998	15.17
Territory 1. Policies Attaching Prior to August 1, 1952	11,020	2,780	25.23	B. All Others	2,239	534	23.89
1. Policies Attaching On and After August 1, 1952	53,271	12,185	22.87	Details Not Furnished	684		
Territory 2. Policies Attaching Prior to August 1, 1952	16,134	44,778	277.34	WOOL GROWERS FLOATERS	26,890	5,312	19.41
2. Policies Attaching On and After August 1, 1952	773,920	335,608	43.37	RATE FILING REQUIREMENTS NOT APPLICABLE			
Territory 3. Policies Attaching Prior to August 1, 1952	35,558	39,660	110.42	BAILIERS CUSTOMERS	9,347,605	3,307,945	35.39
3. Policies Attaching On and After August 1, 1952	535,221	276,461	51.58	BOATS (INCLUDING CANOES & SAILBOATS) AND OUTBOARD MOTORS	2,664,134	2,005,430	75.28
Territory 4. Policies Attaching Prior to August 1, 1952	3,896	9,309	238.94	BOATS & MOTORS COMMERCIAL (INBOARD)	5,199	13,352	256.82
4. Policies Attaching On and After August 1, 1952	185,737	119,108	64.13	BOATS & MOTORS PRIVATE (INBOARD)	533,296	457,879	85.75
Texas & Other Territories	1,217,948	217,948	17.90	COLD STORAGE LOCKER POLICIES (OPERATORS)	788,513	182,675	23.17
Details Not Furnished	2,152,065	1,110,037	51.58	CONTRACTORS EQUIPMENT FLOATERS	20,967,347	11,699,466	55.80
MOBILE AGRICULTURAL MACHINERY & EQUIPMENT FLOATERS				DEFERRED PAYMENT MERCHANDISE	3,950,219	3,950,219	100.00
Territory 1. Policies Attaching Prior to August 1, 1952	25,978	62,240	239.62	DEPARTMENT STORE FLOATERS	261,420	75,261	28.79
1. Policies Attaching On and After August 1, 1952	1,191,061	620,107	52.06	FIRE ARMS - DEALERS, MUSEUMS, ETC.	1,021,608	372,360	36.45
Territory 2. Policies Attaching Prior to August 1, 1952	16,525	55,931	338.02	GOVERNMENT SERVICE POLICIES	286,834	114,261	39.86
2. Policies Attaching On and After August 1, 1952	642,959	399,398	62.13	GUN FLOATERS	194,799	66,974	34.38
Territory 3. Policies Attaching Prior to August 1, 1952	15,823	40,955	258.83	INSTALLATION FLOATERS	4,911,231	1,666,341	33.94
3. Policies Attaching On and After August 1, 1952	805,909	345,928	42.68	LEASED PROPERTY	69,374	40,367	58.20
Territory 4. Policies Attaching Prior to August 1, 1952	167,290	112,606	67.31	LIVE ANIMALS & FELTS INSURANCE (OTHER THAN LIVESTOCK)	398,328	236,695	59.42
4. Policies Attaching On and After August 1, 1952	779,915	448,557	57.51	MOTOR TRUCK CARGO	31,281,690	11,585,628	37.04
Texas & Other Territories	236,739	117,716	49.72	MUSICIANS EQUIPMENT FLOATER	19,179	7,811	40.73
Details Not Furnished	636,326	304,450	47.83	MUSICIANS LIABILITY	15,109	1,360	9.00
Total Mobile Agricultural	4,719,485	2,704,498	57.31	PANAPHERMALLA FLOATERS	92,771	20,575	22.18
MUSICAL INSTRUMENTS (EXCLUDING DEALERS)				PATTERN FLOATERS	2,479,299	575,120	23.20
Individual - Non-Professional	613,256	171,185	27.91	PROCESSING RISKS	3,983,676	2,421,633	60.79
Individual - Professional	393,889	209,836	53.27	SALESMEN SAMPLES	1,126,515	822,332	73.00
Orchestras, Bands & Other Groups	697,493	181,429	26.01	SCIENTIFIC INSTRUMENTS FLOATERS	301,368	61,596	20.44
MUSICAL INSTRUMENT DEALERS				TRAILER CONTENTS (AUTO HOMES)	4,216	3,604	85.46
Excluding Policies on Reporting Form	100,775	15,378	15.36	TRANSPORTATION (OPEN ANNUAL FORMS)	16,509,775	7,366,096	44.62
Reporting Form	7,717	3,656	47.38	TRANSPORTATION (ALL OTHERS)	6,110,118	2,680,897	43.88
Details Not Furnished	302			WAREHOUSES LEASAL LIABILITY	88,217	144,675	164.00
NEON SIGNS				MISCELLANEOUS FLOATERS	45,535,313	20,073,270	44.08
Full Form	39,887	8,629	21.63	CANADA & OTHER COUNTRIES (DIRECT BASIS)	12,881,976	5,804,307	45.06
Florida & Puerto Rico	106,469	85,777	80.59	TOTAL	8325,649,544	3197,268,173	38.28
Texas							
Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina & Virginia	92,945	61,944	66.65				
Balance of Continental United States & Hawaii	1,070,210	666,281	62.26				
Total Full Coverage	1,521,121	790,433	52.00				
Deductible Form	15,173	5,256	34.65				
Florida & Puerto Rico	85,081	27,940	32.83				
Texas							
Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina & Virginia	69,070	33,713	48.81				
Balance of Continental United States & Hawaii							
Total Deductible Coverage	546,633	279,209	50.36				
PARCEL POST	476,523	501,498	105.25				
Coupon Form	5,983,561	2,954,409	49.36				
Open Form							
PERSONAL EFFECTS	2,617,934	1,187,159	45.35				
PERSONAL FURS							
Minimum Premium Policies	1,902,475	357,708	18.80				
5,000 & Under	10,667,805	5,616,719	52.66				
10,001 to 50,000	668,611	381,507	56.92				
50,001 to 100,000	45,051	28,861	64.06				
100,001 & Over	30,065	17,881	59.48				
Details Not Furnished	600,000	288,065	48.01				
Total Personal Furs	13,944,771	6,471,943	46.41				
PERSONAL JEWELRY							
Full Coverage	26,457,068	10,292,271	39.28				
5,000 & Under	4,001 to 10,000	2,647,305	66.16				
10,001 to 20,000	1,358,758	9,096,000	66.98				
20,001 to 50,000	1,137,236	517,262	45.50				
50,001 & Over	609,662	301,600	49.46				
Total Full Coverage	30,000,000	13,711,096	45.69				
\$50 Deductible Coverage	553,967	220,948	39.89				
PERSONAL PROPERTY FLOATER							
Blanket Portion - Full Coverage							
5,000 & Under	1,356,268	748,021	55.19				
5,001 to 10,000	1,356,268	1,356,268	100.00				
10,001 to 20,000	1,356,268	1,356,268	100.00				
20,001 & Over	1,356,268	1,356,268	100.00				
Total Full Coverage	6,377,127	4,354,010	68.28				
Blanket Portion - Deductible							
15 & 25 - 5,000 & Under	1,775,423	1,775,423	100.00				
15 & 25 - 5,001 to 10,000	1,775,423	1,775,423	100.00				
15 & 25 - 10,001 to 20,000	1,775,423	1,775,423	100.00				
15 & 25 - 20,001 & Over	1,775,423	1,775,423	100.00				
50 - 5,000 & Under	1,775,423	1,775,423	100.00				
50 - 5,001 to 10,000	1,775,423	1,775,423	100.00				
50 - 10,001 to 20,000	1,775,423	1,775,423	100.00				
50 - 20,001 & Over	1,775,423	1,775,423	100.00				
Total Deductible Coverage	43,769,899	28,099,295	64.41				
Misc. Scheduled Property Other Than Jewelry, Furs & Fine Arts	236,991	129,295	54.54				
Outdoor Radio & Television Towers & Antennas Specifically Insured at a Separate Premium Charge	35,739	720	2.01				
PHYSICIANS & SURGEONS EQUIPMENT	817,647	89,013	10.89				
RADIO	53,940	15,867	29.42				
REGISTERED MAIL	1,528,747	31,977	2.09				
ROLLING STOCK RAILROAD							
Yard Switching Locomotives	277,126	105,855	38.16				

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SCHEDULED PROPERTY EXCLUDED							
	Written Premium	Earned Premium	Paid Losses	Ratio of Losses			
				Incurred to Premiums Written	Paid to Premiums Earned	Incurred to Premiums Earned	
Full Coverage Deductible	\$ 6,277,167 43,769,805	\$ 7,957,133 44,500,393	\$ 4,584,010 28,059,293	\$ 4,900,557 29,996,519	71.88 64.11	57.63 63.05	63.50 67.61
TOTAL	50,126,972	52,457,526	32,643,305	34,897,476	63.12	62.23	66.53

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FIELD MEN

Brown, Lipp to Ind. Field for Indiana Insurer

Indiana Ins. Co. has named E. B. Brown and Donald Lipp special agents in Indiana.

Mr. Brown will travel 11 southwestern counties from headquarters at Evansville. He was formerly a partner with his father in an agency at Winchester and owner of the Hess & Hess agency at Middletown.

Mr. Lipp was formerly with Lumbertons Mutual. He has been assigned St. Joseph, LaPorte, Porter and Lake Counties and will have headquarters at Evansville.

Phoenix of Hartford Names McGaw Special at Seattle

John B. McGaw has been appointed special agent at Seattle for Phoenix of Hartford.

Mr. McGaw has been with the Phoenix home office working in fire, inland marine, casualty and bonding.

Names F. P. Kelly at Chicago

Francis P. Kelly has been appointed special agent at Chicago for Automobile and Standard Fire.

Mr. Kelly, who will assist State Agent G. R. Nordgren, has completed a year of extensive training in fire and marine lines at the home office.

Okla. Field Men Set Clinics

At a called meeting of Oklahoma 1752 Club in Oklahoma City, arrangements were made to hold another series of clinics for Oklahoma agents at New Lawtonian Hotel, Lawton, Nov. 15; Holiday Inn, Oklahoma City, Nov. 16, and Alvin Hotel, Tulsa, Nov. 17.

American Names Martineau State Agent at Detroit

Eugene B. Martineau has been named state agent at Detroit for American.

He joined the company in 1939 and has been a special agent for southern Michigan and most recently state agent at Lansing.

North British Moves

Roby to Los Angeles

North British group has transferred Special Agent David F. Roby from Arizona to the southern California field to replace O. N. Jones who has resigned. Mr. Roby will make his headquarters at Los Angeles.

Okla. Forum Sessions Set

Eight sessions of Oklahoma Insurance Forum have been scheduled by Oklahoma Fire Underwriters Assn.

Meetings to discuss local agency problems will begin Sept. 13 at Woodward with other sessions set at Enid, Sept. 14; Lawton, Sept. 15; Oklahoma City, Sept. 16; Ada, Sept. 20; Muskogee, Sept. 21; Vinita, Sept. 22, and Tulsa, Sept. 23.

Speakers, meeting places and other details are still to be announced.

D. W. Johnson to Cal. Field

Donald W. Johnson has been named special agent in southern California for New Zealand Ins. Co.

He began his career with Home Owner's Loan in Nebraska and in 1945 was named a special agent for National Auto at Los Angeles.

W. F. Rau Joins Oregon Agency

William F. Rau has resigned as special agent for American Surety at Portland, Ore., to join the Loren V. Bryant agency in Eugene. Mr. Rau had been with American Surety since 1950.



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GENERAL INSURANCE CORPORATION

MAIN OFFICE

FORT WORTH, TEXAS

EASTERN DEPARTMENT — PHILADELPHIA PACIFIC COAST DEPARTMENT — PASADENA, CALIF.

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PERSONALS

(CONTINUED FROM PAGE 23)

corner too sharply and ran head-on into Mr. Dunham's automobile, spinning it completely around and badly damaging it. Mr. Dunham escaped with minor bruises. The other motorist sustained several fractured ribs. Mr. Dunham is vice-president of both Insurance Board of St. Louis and Missouri Assn. of Insurance Agents and a former director of the National association.

Leslie H. Cook of the company bearing his name, Insurance Exchange building, Chicago, is recuperating at his home following a minor surgical operation.

V. O. Schinnerer, Washington, D. C., local agent, has been elected secretary of the board of trade there.

Oren E. Scott, who, with his late brother, R. G. Scott, founded the general real estate and insurance agency of Oren E. & R. G. Scott at St. Louis in the 1890's, is planning to double his \$500,000 foundation which he established in 1951 for educational, religious, charitable, scientific and literary purposes, which has already aided a number of colleges, universities and other institutions.

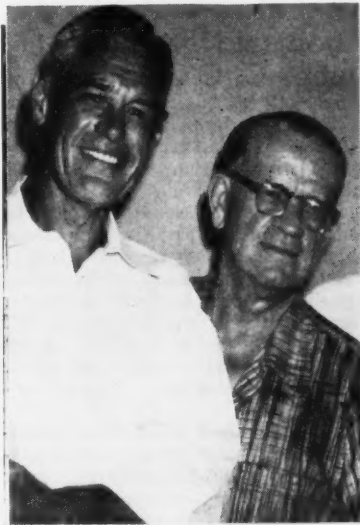
Granted Auto Rate Cut

Louisiana has granted Southern Farm Bureau Casualty a 20% cut in rates on automobile policies written on or after Aug. 1. The company writes coverage for farmers who are members of Louisiana Farm Bureau.



Director Justin T. McCarthy of the Illinois department pictured with the assistant director, Laddie T. Pelnar, at the annual outing of Chicago Casualty & Surety Managers' Assn. Photo by Harry H. Fuller of National Bureau of Casualty Underwriters.

Attending the Chicago Casualty & Surety Managers' outing: Roy L. Davis, Assn. of Casualty & Surety Companies; James R. Graham, U. S. Aviation Underwriters, and Donald K. Weiser, Aetna Casualty. Photo by Harry H. Fuller of National Bureau of Casualty Underwriters.



Kyle E. Simpson, Home, president of Casualty & Surety Managers Assn. of Chicago, shown at that group's annual golf outing with H. N. Douglass, New Amsterdam Casualty, chairman for the program. Photo courtesy Harry H. Fuller, National Bureau of Casualty Underwriters.

Washington Bureau Cuts Sprinklered Risk Rate

The 20% rate reduction granted by Washington Surveying and Rating Bureau on sprinklered risk classes 4, 5a and 5b May 2, has been rescinded and a reduction of 40% has been published retroactive to that date. A complete revision of the Bureau rate adjustment circular of May 2 has been circulated and the previous circular has been annulled.

No changes have been made in the percentage of reductions granted on churches and chapels; schools, academies, colleges and universities, including dormitories, other than in the school classes published rates which call for a sprinkler warranty and will be republished to include the 40% reduction.

An additional list of risks not eligible for percentage reductions has been published as well as a complete description of the risks identified by the various class symbols. All blanket rates will be republished to include the new percentage reductions as rapidly as possible. The Rate Conversion Table—Washington has been annulled. New tables are being prepared to correlate with the authorized percentage reductions.

Rudy Kohlruss Promoted

Rudy Kohlruss, a new member of the executive board of International Assn. of A.&H. Underwriters, has taken over the management of the A&H department of Security L.&A. of Denver.

Mr. Kohlruss has many years of experience in the A&H business and only recently was supervisor for 13 eastern states for another A&H insurer.

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Jones underwriters are well versed in products liability. They have access to the broadest markets in the world. They are schooled and skilled in providing the kinds of services that have won them the patronage of the best insurance agents and brokers of the land.

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REPRESENTING

Lloyds London

Annual of Mutual Agents to Feature James C. O'Connor

James C. O'Connor, executive editor of *Fire, Casualty and Surety Bulletins*, will moderate a two hour audience participation session on constructive thinking for better business at the annual meeting of National Assn. of Mutual Insurance Agents at Netherland Plaza hotel, Cincinnati, Oct. 17-19.

Also on the program of the meeting, the theme of which will be better teamwork means better business, will be an all morning sales session on the closing day and the first report of the newly formed company advisory conference.

A discussion of progressive underwriting for better business with a panel of chief underwriters to answer questions and explore competitive features of the trend toward multiple line and package underwriting will also be featured.

Social activities will include an opening luncheon, a banquet and a gay nineties party on Monday night.

List Wis. Congress Card

Speakers have been announced for the annual sales congress and convention of Wisconsin Assn. of A&H Underwriters, to be held at Milwaukee Aug. 19-20.

They are Clifford McDonald, executive vice-president of International Fidelity of Dallas and president of IAAHU; W. Clement Stone, president of Combined companies; Rusty Moore, Mutual Benefit Life manager in Michigan; Leonard A. McKinnon, McKinnon-Mooney agency, Flint, Mich., chairman of IAAHU, and E. J. Faulkner, president of Woodman A&L and chairman of the Joint Committee on Health Insurance.

Maryland Casualty Premiums Up 5.3% First Six Months

Premiums written by Maryland Casualty from Jan. 1. through June 30 totaled \$54,419,578, an increase of 5.3% over the first six months of 1954.

Assets stood at \$18,287,710, an all-time high and an increase of \$8,740,073 over assets at year end. Statutory underwriting profit for the six-month period was \$1,781,518, against \$2,281,095.

Hartford Accident Promotes W. W. Downs

Hartford Accident has promoted Walter W. Downs to superintendent of the bond claim division. Surety and fidelity claim functions and bond salvage activities are centralized in the division, which will operate as part of the claim department under the supervision of Vice-president E. A. Cowie.

Mr. Downs joined the company in 1935 after working in the legal field and serving as a fidelity claims adjuster for National Surety.

Farm Bureau Cuts Bus Rates

Ohio Farm Bureau Auto has cut PHD rates from 16 to 33% on school buses in Connecticut, Delaware, District of Columbia, Maryland, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont and West Virginia.

Cincinnati Insurer Expands

Cincinnati Ins. Co. has been admitted to Indiana and will begin development of an agency plant there.

The company was formed in 1950 and writes in Ohio and Kentucky. R. A. Cosbey is general manager.

REINSURANCE

FIRE and ALLIED LINES

PRO-RATA and EXCESS of LOSS



**INTER-OCEAN
REINSURANCE
COMPANY**
CEDAR RAPIDS, IOWA

Pa. Court Dissolves Independence Mutual

Court of common pleas of Dauphin County, Pa., has ordered Independence Mutual of Camp Hill to be dissolved effective Aug. 5 and directed Commissioner Smith to liquidate the company's business and affairs.

The court fixed Feb. 2, 1956 as the last day for filing proof of claim against the fire insurer. Persons with claims against the company must file proof with the liquidation division of the insurance department before the deadline.

Reissue of Cancelled Policy to New Owner Binds the Insurer

The ninth U. S. court has affirmed the judgment of the lower court that a fire policy cancelled by the original owner of the insured property and reissued by the general agency to the new owner of the property was binding and that the insurer could not recover a loss paid on the policy. 8CCH (fire and casualty) 719.

The \$10,714 loss resulted from a fire in radio station KXXL, Reno. Evidence showed that the previous owners of the station had purchased the fire policy from the Sun Office general agent in Reno and arrangements were made with a bank to finance the premiums under terms that provided that if insured defaulted for 10 days in paying any installment the default would be considered an election on his part to cancel the policy. If such conditions arose, the bank was authorized to notify Sun Office of the cancellation.

The original owners of the radio station advised the general agent that the radio station was ceasing to operate and they wanted the policy cancelled. Cancellation of the policy was effected by Sun Office. Later the financing bank notified the insurer that insured had defaulted in his payment on the premium loan and requested that the policy be cancelled. The unearned premium was returned to the bank by Sun Office.

When Mr. Gonce acquired the radio station he had the policy reissued by the Sun Office general agent by an endorsement transferring the policy to him as insured. The loss occurred.

Sun Office denied liability. It contended that the general agency did not have authority to reissue or assign the policy to Mr. Gonce and therefore Sun Office was not bound by the transaction.

The court found, however, that the agency had authority to issue policies and bind Sun Office by filling out and countersigning the blank forms which had been furnished it for that purpose. It also found that the endorsement transferring the policy to Mr. Gonce had been delivered and that it bound him to pay premium on demand. The court decided that credit had been extended to Mr. Gonce for the payment of the premium and therefore the policy was in effect and Mr. Gonce was insured.

Griswold, Vargas & Bartlett, Alex A. Garraway of Reno were attorneys for Sun Office and Stanley H. Brown of Reno was counsel for Mr. Gonce.

Cal. Assigned Risks Reported

California Automobile Assigned Risk Plan processed 6,158 assignments during May 1955 compared to 6,041 in April and 5,635 in May, 1954. The report on the plan is made to Gov. Knight on a monthly basis by Commissioner McConnell.

Old Republic Appoints Boden Executive V-P

George J. Boden has been appointed executive vice-president of Old Republic Ins. Co., of Greensburg, Pa., formerly Coal Operators Casualty.



George J. Boden

Mr. Boden was manager of Chubb & Son's automobile finance division since 1945 and before that was in automotive and appliance finance work.

The company has also entered the casualty field which will include consumer credit coverages for financial institutions.

Conn. Mutual Agents Elect Preble Leader

Mutual Insurance Agents Assn. of Connecticut elected Augustus W. Preble of New Haven president at its annual meeting. Other officers are Charles C. Kusmaul of Bridgeport vice-president, and Darwin C. Gallup of Danielson secretary. Committee chairmen are Thurston Lawsbe of Waterbury, attendance; Robert W. Preble of New Haven, program; Rudolph F. Reihl of Waterbury, membership; Milton Wettstein of Bridgeport, publicity and Edward H. Everest of New Haven, inter-association relations.

Table of Equivalents Published in Spanish

International Union of Marine Insurance in conjunction with International Chamber of Commerce has prepared for distribution a Spanish language edition of table of practical equivalents which shows the principal terms, clauses and covers used in various countries for the insurance of cargo against transport risks. It will soon be available.

All Industry CPCU Luncheon Oct. 19

New York CPCU chapter will hold a luncheon at Hotel Biltmore in New York City Oct. 19 with Insurance Superintendent Holz as the guest speaker. Robert C. Mahoney is chairman. This will be an all industry affair.

Stock Joins Mich. Agency

Harold T. Stock Jr. has joined the Arthur J. Stock agency at Detroit, founded by his grandfather in 1903.

His father, H. Thompson Stock, has been with the agency since 1923.

Local Agents in Texas Elect

New officers of local agents' associations in Texas are:

Big Springs, Wendell Parks, president; J. T. Thornton, vice-president, and Malcolm Patterson, secretary.

Denison, Lillian Cavder, president; G. A. Hanan, vice-president, and Fred Hahnel, secretary.

Henderson, Carl Jagers, president; Joseph Craig, vice-president, and W. A. Preston, secretary.

Lamesa, Malcolm Harp, president, Miss Louvenia Estes, secretary.

Lufkin, E. L. Bartlett, president; E. Baggett, secretary.

3 Lawyers Join Kan. Department

The Kansas department has appointed three law graduates of Washburn College at Topeka, Kan., to its staff.

They are Eberle Baldwin of San Diego who was outstanding senior of 1955; Donald L. Dean of Manhattan, Kan., and Joseph Peel of Pittsburgh, Kan.



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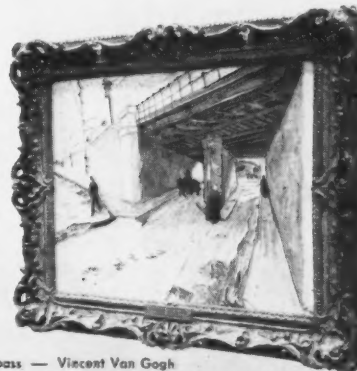
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Lawyers Tell How to Combat NACCA Tactics

(CONTINUED FROM PAGE 3)

of opposing counsel to stipulate to a doctor's qualifications, unless the witness is notoriously weak on that point. He thinks the best impression on the jury is made by the attorney apparently pulling the story of the doctor's history and qualification out of him by degrees—separate questions about his schooling, specialty, writings, teaching experience, academic honors, etc. This

gives the doctor a chance to appear modest and keeps the attorney in control.

Mr. Peterson said that no one knows how many scientific experts exist outside of the medical field. One recent work on expert testimony refers to 450 different classes and the author admits this is incomplete. Many conditions, of which drunkenness is a good example,

were once regarded as something to be established by lay observation, and today are subjects for scientific analysis. He emphasized that it is important to get into the record, against a possible appeal, the qualifications of the witness and the fact that expert testimony has been ruled proper in the particular case.

Asked about the compensation of scientific experts, Mr. Peterson said that in areas where they are numerous there is a more or less established price for their services and a certain amount of competition keeps this within reason. Many are like lawyers in that they will charge what the traffic will bear, giving a corporation a much bigger bill than a poor widow. The importance of the case will also influence their fees. However, there is at least one case in which a lawyer was disbarred for entering into a contingent fee arrangement with an expert witness.

Judge Lederle asked about finding scientific experts and whether they can be compelled to testify. Mr. Peterson said that schools and colleges are a good source and that ordinarily the client, if he is engaged in a technical field, can suggest prominent men in that field. The ideal expert is one who combines both formal training with practical experience, but sometimes he cannot be found and the attorney has to make a choice. Academic men can impress the jury with their qualifications, express themselves fluently and make good witnesses if they can be persuaded to talk in laymen's language. On the other hand, men whose experience has been practical rather than academic often please jurors who have had limited formal education. The courts have not agreed on whether a witness who has been approached and possibly paid a fee by the opposing counsel can be compelled to testify for the other side. However, as a practical

matter, Mr. Peterson suggested not trying to do this, even if the opposing counsel has tied up all the local experts and it is necessary to go some distance to get another.

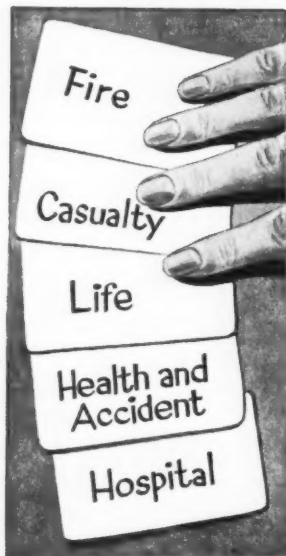
Mr. Hobson, discussing cross examination of expert witnesses, said that no attorney should count on being able to prove his own case by such cross examination, although once in a lifetime he may get an admission out of an adverse expert witness which will do this. Instead, he should hope that cross examination will bring out either that the expert witness is not as competent as he claims to be, so that his opinion is not entitled to much weight, or that the facts on which his opinion is based are not true. He cautioned his audience not to think of expert witnesses as physicians exclusively, because modern mechanized and complicated society has produced experts in almost every conceivable field.

Much of Mr. Hobson's talk was devoted to warnings about pitfalls which the attorney should avoid. He said it is important for the attorney to know or learn enough about the subject on which the testimony is offered to be able to demonstrate to the jury the correct expert opinion on the subject and not to permit an adverse expert to sell the jury a fallacious opinion. However, in answer to a question, he said the lawyer not only need not be an expert, but he should be very careful to avoid posing as one. He should never give the jury the impression that he thinks he knows more about the subject than the adverse witness—he should rather try to induce the jury to come to that opinion. The attorney should appear deferential to the opinion expressed by the witness and most considerate of any situation in which the witness appears confused or unable to put his finger upon any other authority which supports his opinion.

In answer to another question, Mr. Hobson said that there is no "sure fire" question which can be asked of an expert. Many attorneys have made the mistake of rushing in to attack the qualifications of an expert. If the expert is a smart witness, he will not overstate his qualifications on direct examination. If the adverse attorney then tries to attack his qualifications, he will have additional information in reserve and will get the sympathy of the jury by virtue of being attacked.

Mr. Hobson said that an attorney should distinguish carefully between an expert testifying as to facts and an expert expressing an opinion from assumed facts about which he knows nothing. In the first case, there is no substitute for the adverse attorney having all the facts in his possession. If the attorney has no facts which will refute testimony of this type, it is better to skip cross examination altogether. As an example of refuting testimony with facts, Mr. Hobson described a case in which a woman claimed her back had been severely injured when an automobile in which she was riding was struck from the rear by another car, but with so little force that investigating officers could not find a mark on either automobile. Her physician testified that this slight impact caused a permanent strain, but Mr. Hobson was able to destroy this testimony by bringing out the fact that she had had a bad fall from a stepladder prior to the accident. He told of another case in which the jury did a better job than the attorneys. Two physicians testified that because of injuries in an accident, a woman was unable to sweep, do housework, or stand on her feet for

(CONTINUED ON NEXT PAGE)



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any length of time, but she got a very small judgment. The jury had noticed that she came into court every day with her toe nails painted and decided for themselves that she could not have done this if her injuries were as bad as the physicians said they were.

Most hypothetical questions, Mr. Hobson said, are based upon complicated sets of facts. The cross examining attorney should try to separate each distinct assumption of fact. An effective cross examination technique is to ask the witness to repeat all the assumed facts on which his opinion is based. Unless he has been thoroughly rehearsed, he cannot do so. It is also helpful to ask the witness if all the assumed facts in the hypothetical question are necessary to justify the opinion. If he says all are not necessary, asking him to eliminate the unnecessary ones will often confuse him or will bring about a conflict with other expert witnesses. Another good procedure is to ask the witness whether each fact stated separately and alone would justify his opinion.

On the subject of abuses of expert

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testimony, Mr. Ely said that unfortunately experts are frequently employed not because of their professional knowledge or skill but because of their skill as witnesses and their ability to express favorable opinions. This is particularly true with physicians, although some handwriting experts, a few engineers, and members of a few other professions make a business of testifying. It is a notorious fact, he said, that some doctors spend more time examining injured persons to equip themselves to testify than to alleviate pain and suffering. These professional men usually testify time after time for the same attorney or the same group of lawyers and many of them have not applied a bandage or rolled a pill for years.

The best way to combat this situation, Mr. Ely said, is to learn to recognize "professional" witnesses, study their testimony in previous cases, and see that their weak points are exposed to the jury. He discussed the Minnesota plan, under which a committee of members of the medical association of that state is empowered to review the testimony in any case, including personal injury and workmen's compensation cases, in which the charge is made that a medical witness has consciously deviated from the truth. He also urged the formation of an index bureau or clearing house in which transcripts of expert medical testimony would be available to attorneys representing liability insurance companies, railroads and other firms which are frequently involved in personal injury suits.

Insurance Men on U. S. C. of C. Policy Unit

WASHINGTON—U. S. Chamber of Commerce policy committee has been named. It is headed by Gus S. Wortham, president of American General.

The committee will review and report on proposals for policy declarations to be acted on at the chamber's annual meeting next spring. The committee will hold its first meeting here Feb. 13-15.

Other members of the committee include Harvey S. Bowditch, executive vice-president of American Automobile, and H. W. Brower, president of Occidental Life of California.

Higher Kemper Companies Posts for 3 at Los Angeles

G. R. Pahlman has been named manager at Los Angeles for the Kemper companies to succeed the late L. W. Van Aken, resident vice-president.

Brooz C. Davis, underwriting manager, has been named assistant manager and L. B. Mansfield, former district manager, was named production manager to succeed Mr. Pahlman.

Kan. Department Collects Record \$5 Million in Fees

The Kansas department collected a record \$5,111,768 in fees for the past fiscal year as compared to \$4,448,972 in the previous year.

Of the fees collected in the past year, \$110,000 was used for operation of the department; \$284,470 for firemen's relief; \$35,750 for the school fund; \$116,291 for the state fire marshal's office, and \$70,752 for examination of insurance companies' books.

Covered by Bond Bill

WASHINGTON—Covered by the new law which authorizes government purchase of bonds for officials and employees of the District of Columbia are 309 workers and 97 special notaries. Total amount of bonds for the D. C. workers as of June 1, 1954, was \$1,246,500, on which individual employees paid \$2,141 in premiums.

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Golf, cards, dinner and gifts were the highlights of Esther Diebold day at West Branch, Mich. Mrs. Diebold, sole owner and operator of an agency there, has invited members of the companies she represents to the annual outing for the past 12 years. Pictured at the gathering are, from left: Commissioner Navarre; Vincent Dunlop, state agent for the Home; Mrs. Diebold, and Jack Butterick, assistant secretary of Michigan Assn. of Insurance Agents.

Disability Benefit Law Payments in N. Y. Show Decrease

A total of \$86.6 million in benefit payments was made under the disability benefit law in New York in 1954, against \$87.5 million in 1953. Claims totaled 577,500, against 618,000.

Initial claims paid by insurers during the year totaled 321,300, by self-insured employers 251,600 and special fund for disability benefits 4,600.

Miss Angela R. Parisi, chairman of the New York State workmen's compensation board, said the reduced number of claims reflects in part the lower level of employment which prevailed at midyear. Covered employment when averaged for all quarters was 76,000 less than in 1953.

Ross Associated With Continental Casualty

John T. Ross has become associated with Ralph Carlsen, manager of the excess and surplus lines department of the New York office of Continental Casualty.

S. C. Marine Rulings

Commissioner Kelly of South Carolina has ruled that inland marine policies issued to equipment dealers must contain the 15% limit as to coverage on other stock, incidental to insured's business.

The department also has ruled that all inland marine policies issued in connection with domestic shipments on consignment must contain a limitation of 120 days coverage on the property after arrival at consignee's premises or other place of storage or deposit.

Davis to Pa. for N. H.

New Hampshire Fire group has appointed Herbert B. Davis special agent for American Fidelity to supervise casualty business in western Pennsylvania for the group. He will be located at 733 Washington Road, Pittsburgh.

Sept. Meet Planned in Washington

Sept. 26 and 27 have been tentatively set for the fall session of Washington advisory committee with the fire contact committee of Washington Assn. of Insurance Agents and field men's organizations. Louis W. Niggeman, vice-president of Fireman's Fund, has been elected chairman of the committee succeeding R. H. Griffith, Glens Falls.

Buffalo Names Dwyer New England Manager

Buffalo has named John F. Dwyer manager of the New England department and appointed F. P. Berthold state agent in the Pennsylvania territory.

Mr. Dwyer has represented the company in the New England area since 1942 and has been a state agent since 1952. Mr. Berthold latterly has been a special agent in Pennsylvania for America Fore group. He is a CPCU.

Government Employees Premiums Show Gain

Government Employees had premiums totaling \$13,288,964 on the first half, compared with \$10,928,655 for the same period in 1954. The loss ratio was 55.1% against 53.4% the 1954 first half.

Maier to Cincinnati Post for Buckeye Union

Robert P. Maier has been named assistant manager at Cincinnati for Buckeye Union companies. He has been in the production and adjustment departments of Buckeye Union for seven years.

Agency Incorporates

E. H. Pierce & Co., Dalton, Mass., agency, has incorporated with Clayton T. Pierce as president; Marvin R. Denzell clerk, William B. Braman treasurer and Miss Jennie T. Flansburgh assistant treasurer. The firm was founded in 1898 by the grandfather of the present president. Mr. Braman left Aetna Casualty, for which he was assistant director of sales training, to join the agency.

New Babaco Agency

Babaco Alarms Systems has opened a new agency for the inspection and servicing of truck burglar alarm systems, the Horton Co., 1020 Hogan Street, Jacksonville, Fla.

Hobbs to American States

American States has appointed E. R. Hobbs assistant secretary in charge of fire and inland marine underwriting.

Mr. Hobbs has had 24 years experience in fire and marine lines with Fidelity & Guaranty Fire and U. S. F. & G., with 10 years of home office underwriting and 14 years production and administration at Chicago, Kansas City, and Richmond.

Cal. Is Probing Sale of California Life

(CONTINUED FROM PAGE 7)

Founders Syndicate to a nominee of Mr. Saperstein, to Mr. Friedlander, Mr. Wickes, and three California Life officials in varying amounts. The purpose of this issue at that time, in the opinion of the Senate subcommittee, could only have been an attempt to deceive the California insurance department as to the true ownership of Founders Syndicate which was purchasing overwhelming control of California Life.

On Nov. 25, Founders Syndicate sold 45,000 shares of its preferred stock to the LWIU social security department for \$450,000 and on the same date, using these proceeds, bought 39,213 shares of preferred stock (90%) of California Life for \$392,134. This is the stock which California Life Sept. 2 requested authority of the insurance department to sell to Founders Syndicate. Also on the same date California Life common stock in the amount of 23,813 shares, which represented 91% of the insurance company's voting stock, was transferred to Founders Syndicate by the Dooley-Saperstein-Wickes-LWIU group and by Orville Faris, president of California Life, and William Rusk, vice-president, who owned a 7,000-odd block of shares. In payment of the California Life stock, Founders Syndicate issued 46,536 shares of its common stock to these individuals and at the same time cancelled the common stock issue of Oct. 23, 1953.

On April 8, 1954, subsequent to the time Mr. Saperstein was publicly exposed as being involved in irregular insurance practices by a New York state investigation, the LWIU social security department gave Mr. Dooley \$144,000 and he in turn paid back the original investors in the California Life common stock. At the same time Founders Syndicate turned over to the department 32,000 shares of Founders Syndicate common. So as of that date for the first time the social security department had control of California Life. Since then Founders Syndicate has been dissolved and the social security department now owns the controlling California Life stock outright.

The only explanation offered for this series of transactions by any of the group at the subcommittee hearings was that it was done for the purpose of concealing the fact that a labor union was purchasing California Life.

On June 3, 1954, Mr. Saperstein's contracts as agent providing a total commission of 8% on this case were terminated by California Life. According to the testimony of the president of the company, this action was taken as a result of unfavorable publicity involving Mr. Saperstein's insurance activities in the New York area.

The subcommittee indicated its belief that the LWIU group insurance would have remained with Security Mutual if that company had not indicated it would be necessary to curtail Mr. Saperstein's high commissions and the payment of the \$2,500 monthly special service fee.

Despite the contentions of the individuals involved that the purchase of control in California Life and the transfer of the LWIU insurance business to that company was in the best interests of the beneficiaries of the LWIU welfare fund, in the light of all the evidence, the subcommittee is of the opinion that the purchase of California Life in their own names by the very group controlling the placing

of the union's insurance is one of the worst phases in a case replete with shocking abuses and complete disregard for the interests of the employee-beneficiaries of the fund.

California State officials probing the method by which the union got control of the insurer are Joseph Thomas, chief assistant commissioner; Clarence Binn, chief deputy attorney general; Harold B. Haas, another deputy, and Harold Robinson, chief investigator.

Mr. Thomas said the Senate subcommittee's report would be examined to determine if there had been any violations of law and he opined that the transaction was legal, although not common. Mr. Brown emphasized that his office knows of no illegal action at this time.

Change in Cover Not Known to Insured Leads to Policy Reformation

An action, 8CCH (fire and casualty) 716, Maryland Casualty brought against Kramel Brothers, paint contractors, to recover \$1,534 it had paid in settlement of 57 separate property damage claims amounting individually to less than \$50, was judged in favor of Kramel Brothers by Louisiana court of appeal. Maryland Casualty based its action on the fact that the M&C schedule liability policy, endorsed to cover property damage liability, contained a \$50 deductible clause which had been included by mutual mistake.

Kramel Brothers purchased the policy in September, 1949, and the deductible clause was written into the 1950 renewal without the knowledge of either insured or the selling agent. However, Maryland Casualty pleaded that the deductible provision was written into the policy pursuant to a special regulation of National Bureau of Casualty Underwriters adopted by Louisiana rating commission in July 1949. The insurer held that the endorsements to the policy should have been written subject to the deductible provision and that the failure to do so was because of inadvertence on the part of insured.

It was contended by Kramel Brothers that the insertion of the deductible clause was an inadvertent mistake which should be corrected by reformation of the contract. Maryland Casualty insisted it would not have written the policy without the \$50 deductible and attempted to show that no such coverage was written by other major insurers in the state.

The first information that Kramel Brothers and the local agent had of the deductible was after the losses when the adjuster was investigating and adjusting the claims. Kramel Brothers immediately offered to pay such additional premiums to adjust the rate which could have been fixed on application to the rating commission.

The court held that the inclusion of the deductible was clearly a mutual mistake, that the renewal policy should have been identical to the original policy which did not contain the deductible clause, that the policy should be reformed to provide full coverage of liability, and that Maryland Casualty should not recover the settlements paid.

O. Agent Charges Collusion in Award of City Policy

Albert W. Riffle, local agent at Dover, O., has filed suit charging collusion in the award of a \$1,250,000 three-year policy on the city's lighting plant equipment to the Hanhart agency.

Mr. Hanhart is also chairman of the state Democratic executive committee. Mr. Riffle charged that Mr. Hanhart's bid of \$10,838 was not the lowest and best bid. He said his bid of \$9,052 and another lower than Mr. Hanhart's were both rejected. He asked that the contract be declared null and void.

Gill Retiring from Missouri Bureau

Jones O. Gill, Kansas City superintendent of Missouri Inspection Bureau, is retiring Sept. 30. In 1914, two years after his graduation from Kentucky State University where he earned a bachelor of law degree, Mr. Gill went with Illinois Inspection Bureau as an inspector.

He joined the staff of Western Actuarial Bureau at Chicago in 1917, a year later leaving for service in World War I. On his return in 1919 he went with Kentucky Actuarial Bureau for a brief time and then to Missouri Inspection Bureau, serving for a short time at Kansas City and then going to St. Louis where he remained until 1924, when he transferred back to Kansas City as superintendent. He has been active in business and civic affairs in Kansas City for a number of years.

Agents, brokers and field men's groups are sponsoring a luncheon for Mr. Gill to be held Aug. 29 at the Hotel Muehlbach.

In recent years Mr. Gill and his wife have journeyed during vacations to remote places such as Japan and other parts of the Orient and various islands of the Caribbean and South America. The Gills are planning a European trip upon his retirement.

Factory Insurance Assn. Names Sestak at Chicago

E. J. Sestak has been promoted to assistant manager of Factory Insurance Assn. in the western regional office at Chicago. He will continue as chief engineer with additional duties being to aid Assistant Manager A. R. Miller in the complete responsibilities of both engineering and inspection departments. Mr. Sestak, who joined the association in 1943, entered the business with Missouri Inspection Bureau after graduation from Illinois Tech in 1924.

T. W. Domning Joins Seattle Brokers

Ted W. Domning, formerly manager of the Seattle service office for General of Seattle, has joined Dawson & Feek, Seattle brokers.

Before joining General, Mr. Domning was assistant operating manager for Allstate at Seattle for two years. He spent four years as a local agent in Bremerton, Wash.

Teen Program Has Good Results

Judge Cook, founder of the safe-teen program, has checked the records of Beaverton justice court and produced statistical proof of the effectiveness of the program, which is sponsored by Oregon Assn. of Insurance Agents.

During the first six months of 1954, before the existence of safe-teens, 22 Beaverton high school students were charged with moving traffic violations. For the corresponding period this year, only seven such violators were on the docket. Only one of the seven was a safe-teen.

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Stock Fire Insurance Company has opening for experienced man 25-35 to manage Cleveland District office and Northern Ohio field. Excellent opportunity. Unusual and liberal retirement program and other benefits. Address Box G-59, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Casualty man experienced in underwriting and solicitation for a very active and large local and general agency with operations in Wisconsin and other territories. Write G-42, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., giving experience, age and salary desired.

SPECIAL AGENT AVAILABLE

Age 31, married, with three children, desirous of returning to South Carolina, seeks employment with opportunities for advancement. College graduate with nine years insurance experience, having traveled South Carolina, Georgia and Florida, for multiple line companies. Reply to G-58, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE UNDERWRITER INLAND UNDERWRITER

New Cleveland Office of top flight multiple line stock company. These are fine openings. Our employees know of this ad. Reply in confidence to Box G-41, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED STOCK FIRE COMPANY

One of Michigan's General Agencies could use a good stock fire company. Exclusive contract desired, but not essential. Box G-56, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED CASUALTY CLAIM EXAMINER

Experienced; legal education preferred, for home office, Northern Ohio. Bonus and pension plan. Address #G-56, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Cal. Agents Oppose Temporary Licenses

A questionnaire from the California department asking California insurers to indicate whether they would file training courses for department approval under the new agent's licensing law prompted California Assn. of Insurance Agents to voice strong disapproval of temporary licenses and certificates of convenience.

Fire Underwriters Assn. of the Pacific has offered to prepare and administer a course to which companies could subscribe if a sufficient number of member companies indicated approval.

Under provisions of the law, companies are required to obtain department approval of a training course in order to qualify for the issuance of temporary licenses.

In a letter to Commissioner McConnell, the agents association said, "It is our assumption that practically no producers will make use of the temporary license. Furthermore, since practically every insurance company admitted to do business in California either actively supported or did not oppose our proposal to do away with certificates of convenience for fire and casualty agents, it seems that few of them intend to go to the trouble of preparing courses for approval by the department."

"The California Association believes that certificates of convenience for fire and casualty agents will probably be used only in emergency situations which would prevent an applicant from following the far more simple and intelligent process of studying for the examination, passing it and becoming fully licensed before actually attempting to transact insurance."

The association maintained that any other approach to the temporary license would be impractical.

Details Given on Supreme Court Decision

(CONTINUED FROM PAGE 1)

Boyd intended to pay the premium that day, but was prevented from doing this by a change of plans.

Testimony indicated Mrs. Boyd never wrote to Standard Casualty or its agent or talked to the latter about the policy in question after it was mailed to her. The agent's payment of the premium was not at her request. The court said no attempt was made to cancel the policy before the collision, and added that the agent considered the policy as being in effect at that time.

The injured parties claimed there is a general custom among agents to renew policies without request, and consequently failure by insured to reject the renewal was tantamount to acceptance.

The court stated this doctrine is not applicable unless it is shown that the party relying thereon knew of it, or there had been a course of dealings between the parties from which it could be implied that the policyholder's silence or failure to reject the offer would be regarded as an acceptance. None of these, the court stated, was shown to exist.

The injured parties did not contend that Mrs. Boyd's acceptance of the policy was express, but rather her receipt and retention of the policy constituted an implied acceptance.

In the lower court trial, the Boyds in separate answers said they did not receive the policy. The supreme court called this "clearly a judicial admission which they are not at liberty to dispute as between themselves and plaintiff" (Standard Casualty). The policy was not a part of the record nor was it exhibited at the trial. No one offered any statement as to where it was at

the time of the trial.

The court said the well settled rule that a policy is delivered to the insured when it is deposited in the mails did not apply because the question here was one of delivery bearing on the communication of an offer to insure.

The lower court finding that Mrs. Boyd retained the policy is against the clear weight of evidence, the court stated. "This record does not warrant or support the conclusion that she accepted plaintiff's offer to insure. It follows that the policy involved was not a valid contract."

Because the premium was paid to Standard Casualty by its agent, the injured parties claimed the company was estopped to question acceptance of its offer to insure. The court stated, however, it does not appear that Mrs. Boyd changed her position in reliance upon the company's conduct, adding that "this is a necessary element of equitable estoppel."

International Claim Assn. Speakers Named

First day speakers at the annual meeting of International Claim Assn. Sept. 12-14 at Lake Placid club in the Adirondacks, N. Y., will include Joseph R. Stewart, associate general counsel of Kansas City Life, who will talk on the claim man and the legal department and Dr. Robert A. Goodell, medical director of Phoenix Mutual Life, who will discuss nervous conditions other than psychoses from a claim viewpoint.

The second day will open with an A&H seminar under the chairmanship of Howard Le Clair, Mutual Benefit H&A, with panelists Charles M. Barry of Ohio State Life, H. E. Copps of North American Life & Casualty, Roland S. Jack of Monarch Life, Charles P. Mason of Vermont Accident, and George F. Monks of New York Life.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Aug. 9, 1955

	Bid	Asked
Aetna Casualty	263	270
Aetna Fire	73	74 1/2
Aetna Life	238	243
Agricultural	35 1/2	37
American Equitable	41	42
American Auto	27 1/2	29
America (N. J.)	33 1/2	34 1/2
American Motorists	19 1/2	21
American Surety	96	98
Boston	41 1/4	42 1/4
Camden Fire	29	30
Continental Casualty	127	130
Crum & Forster com.	75	76 1/2
Federal	38 1/2	39 1/2
Fire Association	61	63
Fireman's Fund	75	77
Fireman's (N. J.)	45 1/4	46 1/4
General Reinsurance	56 1/2	58
Glens Falls	79	81
Globe & Republic	24	25
Great American Fire	42 1/4	43 1/2
Hartford Fire	169	171
Hanover Fire	50 1/2	52
Home (N. Y.)	52	53
Ins. Co. of No. America	110	112
Maryland Casualty	40 1/4	41
Mass. Bonding	46	47 1/2
National Casualty	47	48 1/2
National Fire	96 1/2	101
National Union	50	51 1/2
New Amsterdam Cas.	55 1/2	57
New Hampshire	51	53
North River	47 1/2	49
Ohio Casualty	89	91
Phoenix Conn.	87	88 1/2
Prov. Wash.	28	29
St. Paul F. & M.	59	61
Security, Conn.	50 1/2	52
Springfield F. & M.	66 1/2	67 1/2
Standard Accident	73 1/2	75
Travelers	100	103
U. S. F. & G.	76 1/2	78
U. S. Fire	32	33 1/2

Merged Cal. Insurers Form Cal. Compensation & Fire

California Compensation Ins. Co. and Western Fire & Marine have merged to form California Compensation & Fire at Los Angeles.

The newly-formed multiple line company has assets of \$12 million, capital of \$1 million and surplus of \$1.3 million.

Atlas has appointed L. E. Fairley Jr. special agent for South Carolina, with headquarters in Columbia.

DIRECTORY OF RESPONSIBLE

A INDEPENDENT ADJUSTERS A

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Los Angeles 5 DUnkirk 2-2301

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HARRISON 7-9381
Aurora, Ill. — Merchants Nat'l.
Bank Bldg. — Aurora 6-6125
Waukegan, Ill. — 228 N. Genesee St.
MAJestic 3-0936
Joliet, Ill. — Morris Bldg.
JOHet 6-8513

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Tandy & Wood Bldg. — Idaho Falls, Id.
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LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 6,504,482.72	Reserve for Losses	\$ 18,869,733.29
Mortgage Loans on Real Estate	965,857.92	Reserve for Loss Expenses	1,641,500.00
*Bonds and Stocks	147,618,784.78	Reserve for Unearned Premiums	54,939,364.59
Interest due and accrued	171,504.67	Reserve for Taxes and Expenses	2,459,097.50
Agents and Departmental Balances	3,799,979.91	Funds held under Reinsurance	
Real Estate	3,213,500.00	Treaties	7,836,740.08
Equity in Marine and Foreign Insurance Pools	9,022,449.11	All other Liabilities	1,104,179.18
All other Assets	1,455,742.29	Capital	10,000,000.00
Total admitted assets	\$172,752,301.40	Net Surplus	75,901,686.76
		Total	\$172,752,301.40

SURPLUS TO POLICYHOLDERS \$85,901,686.76

Securities carried at \$3,290,509.33 in the above statement are deposited as required by law.

GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 598,124.35	Reserve for Losses	\$ 1,971,464.67
Mortgage Loans on Real Estate	1,841.96	Reserve for Loss Expenses	171,500.00
*Bonds and Stocks	13,083,787.60	Reserve for Unearned Premiums	6,113,108.65
Interest due and accrued	34,661.45	Reserve for Taxes and Expenses	284,672.50
Agents and Departmental Balances	935,891.86	All other Liabilities	26,299.08
Real Estate	160,000.00	Capital	1,000,000.00
All other Assets	400,669.59	Net Surplus	5,647,931.91
Total admitted assets	\$15,214,976.81	Total	\$15,214,976.81

SURPLUS TO POLICYHOLDERS \$6,647,931.91

Securities carried at \$795,921.11 in the above statement are deposited as required by law.

NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 701,306.98	Reserve for Losses	\$ 1,971,464.67
*Bonds and Stocks	12,961,657.05	Reserve for Loss Expenses	171,500.00
Interest due and accrued	31,762.10	Reserve for Unearned Premiums	5,739,933.61
Agents and Departmental Balances	1,584,124.81	Reserve for Taxes and Expenses	293,472.50
Real Estate	70,500.00	All other Liabilities	22,734.98
All other Assets	269,713.05	Capital	1,000,000.00
Total admitted Assets	\$15,619,063.99	Net Surplus	6,419,958.23
		Total	\$15,619,063.99

SURPLUS TO POLICYHOLDERS \$7,419,958.23

Securities carried at \$1,822,477.09 in the above statement are deposited as required by law.

MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 704,674.28	Reserve for Losses	\$ 5,351,118.39
Mortgage Loans on Real Estate	349,567.43	Reserve for Loss Expenses	465,500.00
*Bonds and Stocks	36,221,447.38	Reserve for Unearned Premiums	15,579,819.80
Interest due and accrued	66,711.94	Reserve for Taxes and Expenses	803,582.50
Agents and Departmental Balances	2,824,359.57	All other Liabilities	51,729.61
All other Assets	206,228.78	Capital	3,000,000.00
Total admitted Assets	\$40,372,989.38	Net Surplus	15,121,239.08
		Total	\$40,372,989.38

SURPLUS TO POLICYHOLDERS \$18,121,239.08

Securities carried at \$2,754,310.37 in the above statement are deposited as required by law.

ROYAL GENERAL INSURANCE COMPANY OF CANADA

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 34,471.83	Reserve for Taxes and Expenses	\$ 3,863.32
Bonds and Stocks	399,903.86	Capital	100,000.00
Interest Due and Accrued	2,904.58	Net Surplus	362,343.76
Agents and Departmental Balances	15,526.81		
All other Assets	13,400.00		
Total admitted Assets	\$466,207.08	Total	\$466,207.08

SURPLUS TO POLICYHOLDERS \$462,343.76

Securities carried at \$55,801.87 in the above statement are deposited as required by law.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 2,158,645.87	Reserve for Losses	\$ 18,433,961.00
Mortgage Loans on Real Estate	53,792.36	Reserve for Loss Expenses	1,779,775.00
*Bonds and Stocks	43,576,089.40	Reserve for Unearned Premiums	13,366,920.06
Interest due and accrued	121,764.91	Reserve for Taxes and Expenses	1,513,059.00
Agents and Departmental Balances	3,594,144.55	Funds held under Reinsurance	
Equity in Marine and Foreign Insurance Pools	141,845.57	Treaties	189,825.78
All other Assets	243,951.19	All other Liabilities	280,587.95
Total admitted Assets	\$49,890,233.85	Capital	2,000,000.00
		Net Surplus	12,326,105.06
		Total	\$49,890,233.85

SURPLUS TO POLICYHOLDERS \$14,326,105.06

Securities carried at \$4,440,750.05 in the above statement are deposited as required by law.

COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

DECEMBER 31, 1954

ASSETS		LIABILITIES	
Cash	\$ 2,038,580.99	Reserve for Losses	\$ 22,082,945.00
Mortgage Loans on Real Estate	450,709.87	Reserve for Loss Expenses	2,100,947.00
*Bonds and Stocks	50,889,280.64	Reserve for Unearned Premiums	15,495,847.68
Interest due and accrued	119,254.06	Reserve for Taxes and Expenses	1,534,026.45
Agents and Departmental Balances	3,701,677.51	Funds held under Reinsurance	
Equity in Marine and Foreign Insurance Pools	147,212.23	Treaties	616,139.04
All other Assets	141,118.75	All other Liabilities	157,651.96
Total admitted Assets	\$57,487,834.05	Capital	2,000,000.00
		Net Surplus	13,500,276.92
		Total	\$57,487,834.05

SURPLUS TO POLICYHOLDERS \$15,500,276.92

Securities carried at \$1,692,140.80 in the above statement are deposited as required by law.

*Valuations on basis prescribed by National Association of Insurance Commissioners

HOME OFFICE

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Southwestern Department
912 Commerce St., Dallas 22, Texas

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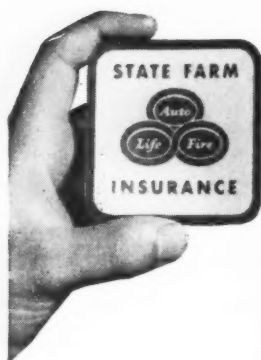
Pacific Department
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535 Homer St., Vancouver 3, B. C.

REPORT ON STATE FARM / Advertising-Sales Promotion Methods



"600 MILLION REMINDERS"



Just a year ago, State Farm Mutual Automobile Insurance Company made news by ordering 3 million Scotchlite bumper decals for policyholders' cars. These insignia featured a streamlined version of the company's longtime trademark.

Actually, this was just one step in a long-range promotional program. Objective: to give the new State Farm emblem the widest possible circulation, and make it an even more familiar symbol to car owners.

Other steps were:

- to put it in magazine and newspaper advertisements and in television commercials
- to put it on metal highway signs
- to put it on agent office signs
- to put it on stationery and printed matter
- to put it on promotional materials used by agents.

State Farm estimates that the emblem will appear more than 600,000,000 times in 1955.

The attention to detail involved in the emblem program shows how State Farm approaches any problem . . . whether it be actuarial or promotional.

And it helps explain why State Farm has grown so fast . . . to a position where it insures more automobiles than any other company in the world.

This is another in a series of advertisements to acquaint you with State Farm Mutual Automobile Insurance Company, Home Office, Bloomington, Illinois. If you want to know more about any aspect of State Farm operations, simply write "Director of Public Relations".

